Risk Factors Comparison 2024-04-01 to 2023-03-15 Form: 10-K

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Our operations and financial results are subject to various risks and uncertainties, including those described below that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. You should carefully consider the following risks, together with all of the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes included elsewhere in this Annual Report on Form 10-K **.** Risks Relating to Our ~~Evaluation~~ **Business We may experience difficulties integrating Quince and EryDel' s operations and realizing the expected benefits** of ~~Strategic Alternatives~~ **the EryDel Acquisition. The success of the EryDel Acquisition will depend in part on our ability to realize the expected operational efficiencies and associated cost synergies and anticipated business opportunities and growth prospects from the EryDel Acquisition in** ~~and~~ ~~or any potential acquisition of new assets that we may pursue.On May 19,2022,we completed our previously announced Acquisition,and our new business strategy anticipated additional acquisition of one or more clinical- stage assets targeting debilitating and rare diseases.The anticipated benefits we expect from the Acquisition or any future acquisitions will depend in part on our ability to realize the expected operational efficiencies and associated cost synergies and anticipated business opportunities and growth prospects from combining new businesses in~~ an efficient and effective manner.We may not be able to fully realize the operational efficiencies and associated cost synergies or leverage the potential business opportunities and growth prospects to the extent anticipated or at all.Challenges associated with the integration may include those related to retaining and motivating executives and other key employees,blending corporate cultures,eliminating duplicative operations,and making necessary modifications to internal control over financial reporting and other policies and procedures in accordance with applicable laws. ~~Our management may face significant challenges in consolidating the operations of potential new businesses,integrating the technologies,procedures,and policies.~~ Some of these factors are outside our control,and any of them could delay or increase the cost of our integration ~~or out-licensing~~ efforts.The integration process could take longer than anticipated and could result in the loss of key employees,the disruption of each company' s ongoing businesses,increased tax costs,inefficiencies,and inconsistencies in standards,controls,information technology systems,policies and procedures,any **of which could adversely affect our ability to maintain relationships with employees or third parties,or our ability to achieve the anticipated benefits of the transaction,and could harm our financial performance.If we are unable to successfully integrate certain aspects of the operations of EryDel,including relevant human resource functions,or experience delays,we may incur unanticipated liabilities and be unable to fully realize the potential benefit of future revenue and other anticipated benefits resulting from the arrangement,and our business,results of operations and financial condition could be adversely affected.We are substantially dependent on the success of our lead drug candidate,EryDex.** Our ~~Business~~ **business** ~~The impact~~ and ~~results of~~ **future success depends on** our **ability to** ~~previously announced strategic direction are uncertain and may not be successful~~ **successfully develop** ~~. As announced in January 2023~~ , **obtain regulatory approval for and successfully commercialize** ~~we intend to prioritize capital resources toward the expansion of~~ our **lead drug candidate, EryDex, which is under clinical** development **for A** ~~pipeline through opportunistic in-licensing and acquisition of clinical~~ **T. EryDex is our only drug candidate in late** - stage ~~assets targeting debilitating~~ **clinical development,** and ~~rare diseases~~ **our business currently depends heavily on its successful development** . ~~Since~~ **In the previous Phase 3 ATTeST trial, the trial did not meet the primary efficacy endpoint. The trial saw statistically significant results in the age group of six to nine years old and we expect to initiate the NEAT study in this population in the second quarter 2024. We expect to announce the results of the NEAT study in the second half of 2025, but cannot guarantee** that ~~time,~~ **the results of this study will be positive** ~~our~~ **or** ~~management has been actively engaged in identifying and evaluating numerous biopharmaceutical assets for their potential fit with our corporate objectives. Our Board remains dedicated to diligently deliberating upon and making informed decisions~~ that ~~the~~ **they** ~~directors believe~~ **will allow further development in this therapeutic indication. EryDex will require additional clinical and non- clinical development, regulatory review and approval in multiple jurisdictions, substantial investment, access to sufficient commercial manufacturing capacity and significant marketing efforts before we can generate any revenue from product sales. We cannot be certain EryDex will receive regulatory approval or be successfully commercialized even if we receive regulatory approval. In addition, because EryDex is our most advanced drug candidate, and because our other drug candidates** are ~~in~~ **based on** the **same AIDE platform technology** ~~best interests of the company and its shareholders. There can be no assurance~~ , ~~however, that~~ **if EryDex encounters safety** ~~our~~ **or efficacy problems** ~~current strategic direction~~ , **developmental delays or regulatory issues or other problems,** ~~or~~ **our development** ~~the Board' s evaluation of strategic alternatives, will result in any initiatives, agreements, transactions or~~ plans ~~that will enhance shareholder value~~ **and business would be significantly harmed** . We have no drug candidates approved for commercial sale, we have never generated any revenue from sales, and we may never be profitable. We have no drug candidates approved for sale ~~and none in development~~ , have never generated any revenue from sales, have never been profitable and do not expect to be profitable in the foreseeable future. We have incurred net losses in each year since our inception. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , our net losses were $ **31. 4 million and $** 51. 7 ~~million and $ 89. 9~~ million, respectively. We had an accumulated deficit of $ ~~288~~ **319** . ~~3~~ **6** million as of December 31, ~~2022~~ **2023** . Before we are able to generate any revenue, we will need to commit substantial funds to ~~in- license or acquire new drug candidates, then~~ - **the** ~~continue~~ **anticipated clinical and** development ~~of any drug candidates~~ **activities related to EryDex** , and we may not be able to obtain sufficient funds on acceptable terms, if at all. Any additional debt financing or additional equity that we raise may contain terms that are not

favorable to us and / or result in dilution to our stockholders. We expect that it ~~will be~~ **could take** several years, if ever, before we may have a ~~potential~~ drug candidate ready for commercialization. We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we pursue our current strategic direction, and seek regulatory approvals for any ~~potential~~ drug candidates, prepare for and begin the commercialization of any approved drug candidates, and add infrastructure and personnel to support our drug development efforts and operations as a public company. We anticipate that any such losses could be significant for the next several years. These net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders' equity and working capital. Further, these net losses have fluctuated significantly in the past and are expected to continue to significantly fluctuate from quarter- to- quarter or year- to- year. To become and remain profitable, we must develop and eventually commercialize a drug with significant revenue. We may never succeed in developing a commercial drug. On January 25, 2022, the FDA placed a full clinical hold on the IND for atuzaginstat (COR388), one of our assets that has since been out- licensed. **On March 8, 2023 The FDA placed a partial clinical hold on the IND for EryDex related to extractables and leachables of new components used in the EryKit. The FDA subsequently lifted the partial clinical hold on September 23, 2023. Additionally, the Phase 3 ATTeST study conducted by EryDel failed to meet the primary endpoint.** The FDA may place additional clinical holds on our current or currently contemplated clinical programs or otherwise limit our ability to proceed with other clinical programs in our pipeline, which will harm our business, financial condition, results of operations and may force us to cease our operations. We expect to explore partnership and licensing opportunities to support the future development of **EryDex and** ~~NOV004, our bone targeting molecule designed to accelerate fracture repair, but we may not be able to find a suitable partner. See also the~~ **other drug candidates** ~~risk factor titled " Because the potential rare disease target patient populations of NOV004 are small, and the addressable patient population even smaller, we may not be able to successfully identify potential patients to out- license this asset . "~~ We may also encounter other unforeseen expenses, difficulties, complications, delays and other known and unknown challenges as we pursue our current strategic direction. There are numerous risks and uncertainties, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to generate revenues or achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis and we will continue to incur substantial research and development and other expenditures to develop and market additional drug candidates. We may **be** ~~require~~ **required** ~~additional capital, and~~ **to make milestone payments to the EryDel Shareholders** ~~our~~ **or** ~~existing stockholders may experience additional equity dilution, to fund our pursuit~~ **pursuant to** ~~and consummation of~~ the ~~acquisition of one~~ **EIB Facility in connection with** ~~or~~ **our** ~~more clinical- stage assets targeting debilitating and rare diseases. The pursuit of our strategy to acquire one or more clinical- stage assets targeting debilitating and rare diseases involves significant management time, effort and associated expense, and if such assets are identified, will require us to incur significant additional expenses to consummate. Moreover, we expect to require substantial additional funding to finance such acquisitions and to advance the~~ development and ~~optimize the~~ commercialization of **EryDex** ~~such assets~~, and there can be no assurance that....., policies and procedures, any of which could adversely affect our ability to maintain relationships with employees..... stock and realize any value from them - **the overall profitability** ~~. To date, Lighthouse' s operations have been primarily limited to organizing and staffing its company and completing the acquisition~~ of **EryDex** ~~our legacy assets. Accordingly~~, ~~it is difficult~~ if **approved** ~~not impossible to predict Lighthouse' s future performance or to evaluate its business and prospects, or ability to develop our legacy assets~~. **In** For these and other reasons, our..... our management caused by activities undertaken in connection with ~~resolving~~ **the EryDel Acquisition, we may be required to make additional payments to EryDel Shareholders of up to an aggregate of $ 485. 0 million in potential cash payments, comprised of up to $ 5. 0 million upon the achievement of a specified development milestone, $ 25. 0 million at NDA acceptance, up to $ 60. 0 million upon the achievement of specified approval milestones, and up to $ 395. 0 million upon the achievement of specified on market and sales milestones, with no royalties paid to EryDel. These milestone obligations could impose substantial additional costs on us, divert resources from other aspects of our business, and adversely affect the overall profitability of EryDex, if approved. We may need to obtain additional financing to satisfy these milestone payments, and cannot be sure that** any ~~disputes related~~ **additional funding, if needed, will be available on terms favorable** to **us, or at all. Additionally, in connection with** ~~these~~ -- **the** ~~transactions~~ **EIB Facility, we are also required to make additional payments to the EIB consisting of (i) interest payments on the outstanding loans thereunder, (ii) payments based on a percentage of the revenue derived from the acquisition of EryDel USA, Inc. on July 21, 2023, which will be payable annually with respect to the immediately preceding fiscal year commencing on June 30, 2027, and (iii) repayments of the principal amount of the loans under the EIB Facility upon the occurrence of certain events** . The occurrence of **certain events of default under the EIB Facility, including failure to make payments as they become due (subject to a grace period of three (3) business days) to the EIB, would result in the EIB having the right to accelerate and demand immediate payment of all outstanding obligations, together with accrued interest, if** any **,** ~~one or more of the above could have an~~ **and** ~~adverse impact on our business and financial condition~~ **any prepayment fees, under the EIB Facility. We may need additional funding in order to make such payments** . Our future results could suffer if we do not effectively manage our operations. In connection with our new strategic pursuits, we may expand our size and operations through **the EryDel** ~~acquisitions~~ - **Acquisition** ~~or other strategic transactions~~. Our future success depends, in part, upon our ability to manage such expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that we will be successful or that we will realize the expected synergies and other benefits anticipated from any future acquisitions or strategic transactions that we may undertake in the future. ~~The Novosteo Acquisition may result in impairment charges from the recording of goodwill and intangible assets that could adversely affect our financial results.~~ Our financial results **have been in the past and** may **in the future** be adversely affected by impairment charges from the recording of goodwill and intangible assets **. Our financial results have been in the past and may in the future be adversely affected**

by impairment charges from the recording of goodwill and intangible assets incurred in connection with ~~the Novosteo Acquisition~~ **acquisitions** . For example ~~the company~~ **, we** incurred a $ 0. 8 million goodwill impairment charge in the quarter ended September 30, 2022 ~~. Due to the announced changes in corporate strategy on January 30, 2023, we will perform an~~ **and** ~~impairment analysis of our~~ **a $ 5. 9 million** IPR & D ~~intangible~~ **Intangible** ~~asset~~ **Asset impairment** ~~. The amount and timing of further possible charges~~ - **charge for** ~~are not yet known. If such assets are found to be impaired, they~~ - **the quarter ended March 31** ~~will be written down to their estimated fair value~~ , **2023 in connection** with **the Novosteo Acquisition** ~~a charge against earnings~~ . Further, our failure to identify or accurately assess the magnitude of necessary technology investments we **assumed** ~~are assuming~~ as a result of the ~~Novosteo~~ **EryDel** Acquisition could result in unexpected litigation or regulatory exposure, unfavorable accounting charges, a loss of anticipated tax benefits or other adverse effects on our business, operating results or financial condition. ~~The success of our business depends in part on our ability to successfully acquire or in- license new product candidates. The success of our business depends in part on our ability to successfully acquire or in- license new product candidates. Our acquisition and in- licensing efforts focus on identifying assets in development by third parties across a diverse range of therapeutic areas that, in our view, are underserved or undervalued. We may decide to proceed with the development of a product candidate and later determine that the more costly and time intensive trials do not support the initial value the product candidate was thought to hold. Even if a product candidate does prove to be valuable, its value may be less than anticipated at the time of investment. We may also face competition for attractive investment opportunities. A number of entities compete with us for such opportunities, many of which have considerably greater financial and technical resources. If we are unable to identify a sufficient number of such product candidates, or if the product candidates that we identify do not prove to be as valuable as anticipated, we will not be able to generate returns and implement our investment strategy and our business and results of operations may suffer materially. If we fail to properly evaluate potential acquisitions, in- licenses, investments or other transactions associated with the creation of new research and development programs or the maintenance of existing ones, we might not achieve the anticipated benefits of any such transaction. If we fail to properly evaluate potential acquisitions, in- licenses, investments or other transactions associated with the creation of new research and development programs or the maintenance of existing ones, we might not achieve the anticipated benefits of any such transaction, we might incur costs in excess of what we anticipate, and management resources and attention might be diverted from other necessary or valuable activities. For instance, in May 2022, we completed our acquisition of Novosteo, Inc. In connection with the acquisition and our integration of Novosteo' s historical operations into our business, the attention of certain members of each company' s management and each company' s resources were diverted from day- to- day business operations. Additionally, the interests of our stockholders were diluted as a result of our issuance of shares of our common stock to Novosteo' s stockholders and our assumption of certain equity awards of Novosteo' s in connection with the transaction. We may engage in similar discussions in the future with respect to other potential transactions that may divert our time and resources from our ongoing operations.~~ Risks Related to ~~Our Business and~~ the Development of Our Drug Candidates **The Phase 3 NEAT clinical trial of EryDex for A- T will be conducted under a protocol negotiated with FDA by EryDel and our execution of the trial may be delayed, may not be successful, and may not result in NDA approval, with adverse results for our business and share price. With the acquisition of our Phase 3 lead asset, EryDex, we intend to initiate the Phase 3 NEAT clinical trial in the first half of 2024. The NEAT protocol is the subject of an SPA, agreement with FDA. The FDA may revoke or alter its SPA agreement under the following circumstances: • public health concerns emerge that were unrecognized at the time of the protocol assessment, or the director of the review division determines that a substantial scientific issue essential to determining safety or efficacy has been identified after testing has begun; • a sponsor fails to follow a protocol that was agreed upon with the FDA; or • the relevant data, assumptions, or information provided by the sponsor in a request for SPA change, are found to be false statements or misstatements, or are found to omit relevant facts. A documented SPA may be modified, and such modification will be deemed binding on the FDA review division, except under the circumstances described above, if the FDA and the sponsor agree in writing to modify the protocol and such modification is intended to improve the study. An SPA, however, does not guarantee that a trial will be successful, and our execution of the Phase 3 NEAT clinical trial may be delayed and even if successful may not result in approval by the FDA. We, or any future development partner with whom we enter into a related agreement, are required to conduct clinical and nonclinical trials in accordance with the study plan and protocols and applicable regulatory requirements. The FDA or comparable regulatory authorities outside the U. S., including in the EU, may disagree with the design or implementation of our or any of our future development partners' clinical trials. We or any of our future development partners may be unable to demonstrate to the satisfaction of the FDA or other regulatory authorities outside the U. S., including in the EU, that a product candidate is safe and effective for any indication. In addition, we are responsible for ensuring that each of our nonclinical studies and clinical trials are conducted in accordance with the study plan and protocols and applicable regulatory requirements and that drug candidates are manufactured and tested in accordance with applicable GMP requirements and other applicable regulatory requirements.** If we **or any future development partner** are unable to **demonstrate that** ~~successfully out- license~~ our ~~bone targeting assets, our business could materially suffer. We have developed our innovative bone- targeting~~ **candidate drugs were manufactured and clinical trials were conducted in accordance with applicable regulations we may be unable to submit appropriate evidence to support applications for** drug platform and lead compound NOV004 for development..... assets, and our partners obtain commercial approval ~~,~~ **and** ~~they~~ - **the authorities** may **reject** ~~not be able to achieve significant market share for~~ - **or related** ~~NOV004. Because the potential target populations~~ -- **applications** ~~are very small, we may not realize any significant return from the potential sale of this asset~~ . Clinical drug development is a lengthy, expensive and uncertain process. The results of preclinical studies and early clinical trials are not always predictive of future results. Any drug candidate that we may advance into clinical trials may not achieve favorable results in later clinical trials, if any, or receive marketing approval. The research and development of drugs is

extremely risky. Only a small percentage of drug candidates that enter the development process ever receive marketing approval. Before obtaining marketing approval from regulatory authorities for the sale of any drug candidate, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. The results of preclinical studies and completed clinical trials are not necessarily predictive of future results, and our current drug candidate may not be further developed or have favorable results in later studies or trials. Clinical trial failure may result from a multitude of factors including, but not limited to, flaws in study design, dose selection, placebo effect, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits. As such, failure in clinical trials can occur at any stage of testing. ~~A number of~~ **The Phase 3 ATTeST clinical trial conducted by EryDel failed to meet the primary endpoint and was potentially negatively affected by missing date during the COVID- 19 pandemic. Several** companies in the pharmaceutical industry have suffered setbacks in the advancement of their drug candidates into later- stage clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding results in earlier preclinical studies or clinical trials. In addition, data obtained from preclinical trials and clinical trials are susceptible to varying interpretations, and regulatory authorities may not interpret our data as favorably as we do, which may further delay, limit or prevent development efforts, clinical trials or marketing approval. Furthermore, as more competing drug candidates within a particular class of drugs proceed through clinical development to regulatory review and approval, the amount and type of clinical data that may be required by regulatory authorities may increase or change. If we are unable to complete preclinical studies or clinical trials of any future drug candidates, due to safety or efficacy concerns, or if the results of these trials are not sufficient to convince regulatory authorities of their safety or efficacy, we will not be able to obtain marketing approval for commercialization on a timely basis or at all. Even if we are able to obtain marketing approval for our current and any future drug candidates, those approvals may be for indications or dose levels that deviate from our desired approach or may contain other limitations that would adversely affect our ability to generate revenue from sales of those drug candidates. ~~Moreover, if we are~~ **Results in earlier clinical trials may** not **be indicative of** ~~able to differentiate our drug candidate against other~~ -- **the results** ~~approved drug candidates within the same class of drugs, or if any of the other circumstances described above occur, our business would be harmed and our ability to generate revenue from~~ that ~~class of drugs would be severely impaired. We~~ may ~~not~~ be ~~successful~~ **obtained** in **registrational** ~~our efforts to acquire new drug candidates or to develop commercially successful drugs. If we fail to successfully identify and develop drug candidates, we may not be able to continue our operations. Our strategy is to identify and pursue~~ clinical **trials** ~~development of drug candidates. Identifying~~ , ~~developing,~~ **which may delay or prevent** obtaining regulatory approval **. Clinical development is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. Success in preclinical studies and early clinical trials may not be predictive of results in larger clinical trials, and previous results from early or small clinical trials may not be replicated or show as favorable** ~~and~~ **an** ~~commercializing~~ **outcome in further clinical trials, even if successful. For example, EryDel had previously endeavored to develop EryDex for the potential treatment of A- T. While we have not seen evidence of significant safety concerns throughout EryDex Phase 3 clinical development for A- T, it failed to meet the primary endpoint, but showed statistically effective results in a certain population, six to nine years old. We plan to conduct a Phase 3 NEAT clinical trial in the population (i. e. six to nine years old) that was found to be statistically effective. However, further studies in this population may not replicate previous results. Accordingly, the previous clinical trials that EryDel conducted may not have uncovered safety issues, even if they exist. The biochemical pathways that we believe are affected by EryDex are implicated in a variety of biological processes and disease conditions, and it is possible that the use of our** drug candidates **to treat larger numbers of patients** will ~~require substantial~~ **demonstrate unanticipated AEs, which may negatively affect their safety profile. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late- stage clinical trials after achieving positive results in early- stage development, or after achieving positive results in pivotal trials, and we have had, and may face, similar setbacks. In** ~~additional~~ -- **addition,** ~~funding and is prone to~~ the ~~risks of failure inherent~~ **patient populations under investigation with EryDex have many co- morbidities that may cause severe illness or death, which may be attributed to EryDex** in **a manner that negatively affects the safety profile of our** drug ~~development~~ **candidate** . ~~We cannot provide you~~ **If the results of our ongoing or future clinical trials for EryDex are inconclusive with respect to efficacy, if we do not meet our clinical endpoints with statistical significance, or if there are unanticipated safety concerns or AEs that emerge during clinical trials, we may be prevented from or delayed in obtaining marketing approval, and even if we obtain marketing approval,** any **sales** ~~assurance that we will be able to successfully identify or acquire drug candidates, advance any drug candidates through the development process, successfully commercialize any such drug candidates, if approved, or assemble sufficient resources to identify, acquire, develop or, if approved, commercialize drug candidates. If we are unable to successfully identify, acquire, develop and commercialize drug candidates, we~~ may **suffer** ~~not be able to continue our operations~~ . We will incur additional costs and may experience delays in completing, or ultimately be unable to complete, the development and commercialization of our ~~potential~~ drug candidates ~~. We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our potential drug candidates, including: • regulatory authorities, institutional review boards or ethics committees, or IRBs or ECs, may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site or we may fail to reach a consensus with regulatory authorities on trial design; • regulatory authorities in jurisdictions in which we seek to conduct clinical trials may differ from each other on our trial design, and it may be difficult or impossible to satisfy all such authorities with one approach; • we may not be able to generate sufficient preclinical data to support clinical development for potential drug candidates; • we may require preclinical studies or manufacturing of drug supplies for our potential drug candidates, which may delay our timeline for the clinical development for our potential drug candidates; • we may experience delays in reaching a consensus with regulatory agencies on~~

~~preclinical and clinical study design; • we may not be able to obtain appropriate or sufficient test agents or preclinical animal models in connection with the indications out potential drug candidates are meant to address; • we may have delays in reaching or fail to reach agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different contract research organizations, or CROs, and trial sites; • clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulatory authorities may require us, to conduct additional clinical trials or abandon drug development programs; • the number of patients required for clinical trials of our drug candidates may be larger than we anticipate; • enrollment in our clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate; • changes to clinical trial protocols; • our third- party contractors, including clinical investigators, contract manufacturers and vendors may fail to comply with applicable regulatory requirements, lose their licenses or permits, or otherwise fail, or lose the ability to, meet their contractual obligations to us in a timely manner, or at all; • we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding that the participants are being exposed to unacceptable health risks; • regulatory authorities or IRBs may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks; • the cost of clinical trials of our drug candidates may be greater than we anticipate, and we may lack adequate funding to continue one or more clinical trials; • the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate; • our drug candidates may have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulatory authorities or institutional review boards to suspend or terminate the trials; • occurrence of serious adverse events in trials of the same class of agents conducted by other companies; and • the occurrence of natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods, or monsoons, public health crises, such as pandemics and epidemics, political crisis, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control occurring at or around our clinical trials sites in the United States, Australia or Europe. Preclinical studies and clinical trials are expensive and time consuming, additional or unsuccessful clinical trials could cause our clinical development activities to be delayed or otherwise adversely affected~~ . The risk of failure is high for any ~~potential~~ drug candidates we may acquire that are in clinical and preclinical development. The clinical trials and manufacturing of our ~~potential~~ drug candidates are, and the manufacturing and marketing of our ~~potential~~ drug candidates, if approved, will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where we intend to test and market our drug candidates. Before obtaining regulatory approvals for the commercial sale of any of our ~~potential~~ drug candidates, we must demonstrate thorough lengthy, complex and expensive preclinical testing and clinical trials that our ~~potential~~ drug candidates are both safe and effective for use in each target indication. We may not be able to develop a trial design that the FDA and other foreign regulatory authorities can accept. Each ~~potential~~ drug candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use. Clinical trials are expensive and can take many years to complete, and their outcomes are inherently uncertain. We cannot guarantee that any future clinical trials will be conducted as planned or completed on schedule, if at all. Failure can occur at any time during the clinical trial process. **For example, on January 25, 2022, the FDA placed a full clinical hold on the IND for atuzaginstat (COR388). Additionally, the Phase 2 / 3 study with COR388 in Alzheimer' s disease failed to meet the primary endpoint. COR388 is one of our assets that has since been out- licensed. On March 8, 2023 The FDA placed a partial clinical hold on the IND for EryDex related to extractables and leachables of new components used in the EryKit. The FDA subsequently lifted the partial clinical hold on September 23, 2023. Additionally, the Phase 3 ATTeST study conducted by EryDel failed to meet the primary endpoint.** Even if any future clinical trials are completed as planned, we cannot be certain that their results will support the safety and effectiveness of our potential ~~product~~ **drug** candidates for their targeted indications or support continued clinical development of such ~~product~~ **drug** candidates. Our ongoing and any future clinical trial results may not be successful. In addition, even if such trials are successfully completed, we cannot guarantee that the FDA or foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our ~~potential~~ drug candidates for approval. Moreover, results acceptable to support approval in one jurisdiction may be deemed inadequate by another regulatory authority to support regulatory approval in that other jurisdiction. To the extent that the results of the trials are not satisfactory to the FDA or foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our ~~potential~~ drug candidates. If we are required to conduct preclinical studies, clinical trials or other testing of our ~~potential~~ drug candidates beyond those that we currently contemplate, if we are unable to successfully complete preclinical studies, clinical trials of our ~~potential~~ drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety **of efficacy** concerns, we may: • be delayed in obtaining marketing approval for our ~~potential~~ drug candidates; • not obtain marketing approval at all **or regulatory authorities may suspend, vary or withdraw marketing approvals for approved products** ; • obtain approval for indications, dosages or patient populations that are not as broad as intended or desired; • obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings; • be subject to additional post- marketing testing requirements; or • have the medicine removed from the market after obtaining marketing approval. Drug development costs will also increase if we experience delays in testing or in obtaining marketing approvals. We do not know whether any clinical trials will begin as planned, will need to be amended or will be completed on schedule, or at all. Significant preclinical studies and clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our ~~potential~~ drug candidates, could allow our competitors to bring drug candidates to market before we do, and could impair our ability to successfully commercialize our ~~potential~~ drug candidates, if approved, any of which may harm our business and results of operations. In addition, many of the factors that cause, or lead to a delay in the

commencement or completion of, clinical trials may also ultimately lead to termination or suspension of a clinical trial. Any of these occurrences may harm our business, financial condition and prospects significantly. Any termination of any clinical trial of our ~~potential~~ drug candidates will harm our commercial prospects and our ability to generate revenues. ~~patent drugs~~ **platform and lead compound NOV004** for ~~which we would directly pursue the~~ development ~~of~~ **for rare skeletal diseases,bone fractures,and injury.NOV004 is** a **systemically administered bone anabolic peptide engineered** ~~red blood cell encapsulated formulation through the FDA' s 505 (b) (2) regulatory pathway.In order~~ to **target** ~~receive sufficient reimbursement~~ and **concentrate at bone fracture sites.** ~~utilization,our drug candidates,will require showing differentiation against currently~~ **Currently** ~~available generic products~~ **,we intend to explore partnership and licensing opportunities to support the future development of NOV004.However,we may not be able to identify suitable partners** .If we are **unable to identify suitable partners for our indications or if we are required to enter into agreements with such partners on unfavorable terms,our business and prospects could materially suffer.Additionally,while we have sold our legacy assets,we may** not **realize the** ~~able to differentiate EryDex from currently available corticosteroids by showing a safety or efficacy benefit~~ **benefits of** that **sale** ~~is reflected in the approved label,our business would be harmed and our ability to generate revenue from that class of drugs would be severely impaired~~ .Because the potential rare disease target patient populations of ~~EryDex~~ **NOV004** are small,and the addressable patient population even smaller,we may not be able to **successfully out- license this asset** ~~effectively complete clinical trials or commercialize the drug candidate~~ . ~~EryDex~~ **NOV004** is ~~in development~~ **a precision bone growth molecule** for rare disease.Our projections of both the number of people who have these diseases,as well as the subset of people with these diseases who have the potential to benefit from treatment with ~~EryDex~~ **NOV004,** are based on our beliefs and estimates.These estimates have been derived from a variety of sources,including the scientific literature,or patient foundations,and may prove to be incorrect or contain errors.New studies have in the past and may continue to change the estimated incidence or prevalence of these diseases.We cannot accurately predict the number of patients for whom treatment might be possible.Additionally,since the potentially addressable patient population for this ~~drug~~ **product** ~~candidate~~ **candidates** is limited, ~~we may fail to enroll a sufficient number of patients in our clinical trials in a timely manner.Furthermore,~~ even if we successfully ~~develop this~~ **license these** ~~asset~~ **assets** ,and **our partners** obtain commercial Risks Relating **to** Our Financial Position We are a ~~preclinical~~ --- **clinical** stage ~~biopharmaceutical~~ **biotechnology** company ~~with~~ **and have** a limited **history** operating ~~history~~ **a newly acquired business** , which may make it difficult to evaluate the prospects for our future viability. From our inception, we have been focused on novel therapeutic approaches to improve the lives of patients diagnosed with Alzheimer' s and other degenerative diseases. After the **Novosteo** Acquisition in 2022, we shifted our operational focus on the development of our bone- targeting drug platform and lead compound NOV004 for development for rare skeletal diseases, bone fractures, and injury. In January 2023, we made a strategic decision to out- license our bone- targeting drug platform and prioritize capital resources toward the expansion of our development pipeline through **the completion the** ~~opportunistic in- licensing and~~ acquisition of **EryDel in October 2023** ~~other clinical- stage assets targeting debilitating and rare diseases~~ . We have a limited **history** operating ~~history~~ **our newly acquired business** , which may make it difficult to evaluate the success of our business to date and assess our future viability. Drug development is a highly uncertain undertaking and involves a substantial degree of risk. To date, we have only initiated ~~one~~ **two** late **-** stage clinical ~~trial~~ **trials** , **one of which was initiated by EryDel,** and **we** have not obtained marketing approval for any drug candidate, manufactured a commercial scale drug candidate, arranged for a third party to do so on our behalf, or conducted sales and marketing activities necessary for successful drug candidate commercialization. Our short operating history as a company makes any assessment of our future success and viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by **clinical** ~~early-~~ stage ~~biopharmaceutical~~ **biotechnology** companies in rapidly evolving fields, and we have not yet demonstrated an ability to overcome such risks and difficulties successfully. If we do not address these risks and difficulties successfully, our business will suffer. We will require substantial additional funding to finance our operations and evaluate future drug candidates. If we are unable to raise this funding when needed or on acceptable terms, we may be forced to delay, reduce or eliminate our drug development programs or other operations. Since our inception, we have used substantial amounts of cash to fund our operations, and we expect our expenses to increase substantially in the foreseeable future in connection with our ongoing activities, particularly as we evaluate ~~potential~~ **and develop** drug candidates. In addition, if we obtain marketing approval for any future drug candidates, we expect to incur significant commercialization expenses related to sales, marketing, manufacturing and distribution. **Further development of EryDex will require us to incur significant additional expenses. Moreover, we expect to require substantial additional funding to finance such payments and to advance the development and optimize the commercialization of EryDex, and there can be no assurance that such additional funding will be available on terms that are acceptable to us, or at all. If adequate funds are not available on a timely basis, we may not be able to effectively implement our strategic plan.** Accordingly, we will need to obtain substantial additional funding in order to fully execute on our corporate strategy. As of December 31, ~~2022~~ **2023** , we had $ ~~93~~ **75** . ~~8~~ **1** million in cash, cash equivalents and investments. Our balance sheet includes publicly- traded corporate debt securities. We may be required to recognize impairments in the value of these investments if the relevant companies are materially adversely ~~effected~~ **affected** , become unable to repay debt securities when due, or experience credit rating downgrades, or if the public trading price of these securities decreases. We believe that our existing capital resources will be sufficient to fund our projected operations **, which would include anticipated clinical and development activities related to EryDel' s lead asset** through ~~at least~~ **the Phase 3 NEAT clinical trial, into** 2026 ~~, but does not include any costs or cash expenditures associated with in- licensing activities~~ . However, changing circumstances may cause us to increase our spending significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. We may need to raise additional funds sooner than we anticipate if we choose to expand more rapidly than we presently anticipate. The amount and timing of our future funding requirements will depend on many factors, some of which are outside of our control, including but not limited to: • **the rate of progress in the development of and**

the conduct of clinical trials with respect to our product candidates; • our ability to successfully identify partnership and licensing opportunities to support the future development of ~~NOV004~~ **EryDex** ; • the outcome, costs and timing of seeking and obtaining FDA and any other regulatory approvals; • the number and characteristics of drug candidates that we **acquired or** pursue; • our ability to manufacture sufficient quantities of our ~~potential~~ drug candidates **and devices** ; • our need to expand our research and development activities; • the costs associated with securing and establishing commercialization and manufacturing capabilities; • the costs of acquiring, licensing or investing in businesses, drug candidates and technologies; • our ability to maintain, expand and defend the scope of our intellectual property portfolio, including the amount and timing of any payments we may be required to make, or that we may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights; • our need and ability to retain management and hire scientific and clinical personnel; • the effect of competing drugs and drug candidates and other market developments; • our need to implement additional internal systems and infrastructure, including financial and reporting systems; **• the costs to grow our organization** and **increase the size of our facilities to meet our anticipated growth;** • the economic and other terms, timing of and success of any collaboration, licensing or other arrangements into which we may enter in the future **; and • our ability and timing of future milestones payments to EryDel shareholders and repayment of obligations in respect of the EIB Facility** . Additional funding may not be available to us on acceptable terms or at all. Any such funding may result in dilution to stockholders, imposition of debt covenants and repayment obligations, or other restrictions that may affect our business. We also could be required to seek funds through arrangements with collaborative partners or otherwise that may require us to relinquish rights to some of our technologies or drug candidates or otherwise agree to terms unfavorable to us. **The terms of the EIB Facility place restrictions on our operating and financial flexibility. In connection with the EIB Facility, we are subject to operating restrictions and covenants that restrict our ability to finance our operations, engage in business activities or expand or fully pursue its business strategies. For example, unless we get approval from EIB, the EIB Facility limits our ability to, among other things: • incur** ~~Additionally --~~ **additional debt or provide guarantees in respect of debt; • incur liens; • make investments** , ~~while~~ **acquisitions, loans or advances; • sell assets; • make distributions to equity holders, including dividends and distributions on, and redemptions, repurchases or retirement of, our capital stock; • enter into certain hedging transactions; • enter into fundamental changes, including mergers and consolidations; • enter into transactions with affiliates; • change the nature of our business; and • change our management. In addition, the EIB Facility requires that we meet certain reporting and operating covenants, including an obligation to maintain a certain minimum unrestricted balance of cash or cash equivalents. Our ability to comply with** ~~the~~ **these** ~~potential~~ **covenants may be affected by events beyond our control, and we may not be able to meet those covenants. The EIB Facility includes customary events of default, including failure to pay principal, interest or certain other amounts when due; material inaccuracy of representations and warranties; breach of covenants; cross- default to other indebtedness (resulting in a right of the other lender to accelerate such indebtedness after giving effect to any grace periods); certain bankruptcy and insolvency events; certain undischarged judgments; and material adverse change. A breach of any of these covenants could result in an event of default under the EIB Facility. If an event of default occurs and is ongoing under the terms of the Finance, EIB may accelerate all of the obligations of EryDel thereunder and demand payment from us pursuant to the guarantees. Any declaration by the lender of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. Unstable market and** global economic ~~impact and~~ **conditions, including adverse developments affecting** the ~~duration~~ **financial services industry, such as actual events or concerns involving liquidity, defaults or non- performance by financial institutions, may have adverse consequences on our business, financial condition and stock price. The global credit and financial markets have experienced volatility, including as a result** of the COVID- 19 pandemic ~~may be difficult to assess or~~ **, changes in interest rates, and economic inflation, which has included diminished liquidity and** ~~predict~~ **credit availability** , **declines** ~~a widespread pandemic could result~~ in ~~significant long- term disruption of global~~ **consumer confidence, declines in economic growth, high inflation, uncertainty about economic stability and changes in unemployment rates. The** financial markets **and the global economy may also be adversely affected by the current or anticipated impact of military conflict** , **acts of terrorism or other geopolitical events. Sanctions imposed by the United States and other countries in response to such conflicts, including the one in Ukraine, may also continue to adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could heighten market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. Our business strategy may be adversely affected by any such economic downturn, volatile business environment or continued unpredictable and unstable market conditions. Failure to secure any necessary financing in a timely manner could have a material adverse effect on our growth strategy, financial performance and stock price. We regularly maintain cash balances at third- party financial institutions in excess of the FDIC insurance limit. Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with** which **we have arrangements directly, or the financial services industry or economy in general. These factors** could **involve financial institutions** ~~in the future reduce our~~ **or** ~~ability~~ **financial services industry companies with which we have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally. Our failure** to ~~access capital and negatively~~ **maintain certain tax benefits applicable to Italian biotechnology companies may adversely** affect our ~~liquidity~~ **results of operations, our cash flows and our financial condition. As a Company with an Italian biotechnology subsidiary, we have benefited from certain tax advantages, including, for example, the R & D tax credit, which an Italian tax credit aimed at stimulating research and development. The R & D tax credit can be offset payments of certain taxes and contributions**

(e. g., social contributions, VAT payables, registration fees, income and withholding taxes and all other tax- related items that companies usually pay monthly). For eligible research and development activities, the tax credits were equal to 20 % of the costs incurred in fiscal years 2022 and 2021, with a maximum annual amount of $ 4. 4 million (Euro 4 million) . In **2023** ~~addition,~~ the ~~trading prices~~ **tax credit rate was decreased to 10 % of the eligible expenses** for ~~our common stock~~ **certain activities,** and ~~other~~ -- **the** ~~biopharmaceutical companies~~ **annual ceiling of the credit increased to $ 5. 5 million (EUR 5 million). Expenses incurred by the Company for years ended December 31** , **2021, 2022, and 2023 generated a total tax credit amounting to $ 2. 0 million (Euro 1. 8 million), $ 1. 1 million (Euro 1 million), and $ 877, 000 (Euro 800k), respectively. The Italian tax authorities may audit each research and development program in respect of which a R & D tax credit** ~~as~~ **has been claimed** ~~well as the broader equity~~ and ~~debt markets~~ **assess whether such program qualifies in its view for the R & D tax credit. The Italian tax authorities may challenge our eligibility for** , **or our calculation of, certain tax reductions or deductions in respect of our research and development activities. Should the Italian tax authorities be successful, the R & D tax credit, may be reduced, which would** have ~~been highly volatile as~~ a **negative** ~~result of the COVID- 19 pandemic and the resulting~~ impact on ~~economic activity. Furthermore, a recession or~~ **our** ~~decline in market value resulting~~ **results** ~~from the spread~~ of ~~COVID- 19~~ **operations and future cash flows. We believe, due to the nature of our business operations, that we will continue to be eligible to receive the R & D tax credit. However, if the Italian government decides to eliminate, or to reduce the scope or the rate of, the R & D tax credit, either of which it** could ~~materially affect~~ **decide to do at any time,** our **results of** operations **could be adversely affected** ~~, overall yields from our investment portfolio, including through impairment and loss of investment, and the value of our common stock~~ . Risks Relating to Regulatory Review and Approval of Our Drug Candidates and Other Legal Compliance Matters We cannot be certain that the FDA or foreign regulatory authorities will permit us to proceed with any **current or** future proposed clinical trial designs. Our ~~potential~~ drug candidates may not receive regulatory approval, and without regulatory approval we will not be able to market our drug candidates. We currently have no drug candidates approved for sale and we cannot guarantee that we will ever have marketable drug candidates. Our ability to generate revenue related to sales, if ever, will depend on the successful development and regulatory approval of our **drug** ~~potential product~~ candidates. The development of a drug candidate and issues relating to its approval and marketing are subject to extensive regulation by the FDA in the United States and regulatory authorities in other countries, with regulations differing from country to country. We are not permitted to market any ~~potential~~ drug candidates in the United States until we receive approval of **an** ~~a new drug application, or~~ NDA ~~,~~ from the FDA **. Similar requirements apply in foreign countries** . We have not submitted any marketing applications for a drug candidate. **Because EryDex utilizes DSP, we believe it will qualify for FDA approval through the FDA' s 505 (b) (2) regulatory pathway and through corresponding regulatory paths in other foreign jurisdictions. The clinical requirements for a 505 (b) (2) drug candidate can vary widely from product to product depending primarily on whether the drug candidate claims a new indication, provides for a different route of administration, or claims improved safety compared to the existing approved product, and may include bioequivalence trials, limited safety and efficacy trials, or full Phase 1 through 3 trials.** NDAs must include extensive preclinical and clinical data and supporting information to establish the drug candidate' s safety and effectiveness for each desired indication. NDAs must also include significant information regarding the chemistry, manufacturing and controls for the drug. Obtaining approval of an NDA is a lengthy, expensive and uncertain process, and we may not be successful in obtaining approval. The FDA review processes can take years to complete and approval is never guaranteed. If we submit an NDA to the FDA, the FDA must decide whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA. Regulators of other jurisdictions **may impose similar requirements and** have their own procedures for approval of drug candidates. Even if a drug is approved, the FDA **or a comparable foreign regulatory authority** may limit the indications for which the drug may be marketed, require extensive warnings on the drug labeling or require expensive and time- consuming clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States also have requirements for approval of drug candidates with which we must comply prior to marketing in those countries. Obtaining regulatory approval for marketing of a drug candidate in one country does not ensure that we will be able to obtain regulatory approval in any other country. In addition, delays in approvals or rejections of marketing applications in the United States or other countries may be based upon many factors, including regulatory requests for additional analyses, reports, data, preclinical studies and clinical trials, regulatory questions regarding different interpretations of data and results, changes in regulatory policy during the period of drug development and the emergence of new information regarding our drug candidates or other drug candidates. Also, regulatory approval for any of our drug candidates may be withdrawn. Clinical failure can occur at any stage of clinical development and we have never ~~conducted a Phase 3 trial or~~ submitted an NDA **or comparable foreign application** before. The FDA or other foreign regulatory authorities may limit our ability to proceed with potential clinical programs, which could have a materially adverse impact on us. The submission of a successful NDA **or comparable foreign applications** is a complicated process. As an organization, we have never conducted a registrational clinical trial and have limited experience in preparing, submitting and prosecuting regulatory filings, and have not submitted an NDA **or comparable foreign applications** . Failure to commence or complete, or delays in, our planned clinical trials would prevent us from or delay us in seeking approval for, and if approved, commercializing our drug candidates, and failure to successfully complete any of these activities in a timely manner for any of our drug candidates could have a material adverse impact on our business and financial performance. The commencement, enrollment and completion of clinical trials can be delayed or suspended for a variety of reasons, including: • inability to obtain sufficient funds required for a clinical trial; • inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; • clinical holds, other regulatory objections to commencing or continuing a clinical trial or the inability to obtain regulatory approval to commence a clinical trial in countries that require such approvals; • discussions with the FDA or non- U.

S. regulators regarding the scope or design of our clinical trials; • inability to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same indications targeted by our drug candidates; • inability to obtain approval from IRBs **or positive ethics committee opinions** to conduct a clinical trial at their respective sites; • severe or unexpected drug- related adverse effects experienced by patients, which have resulted and may result in a full or partial clinical hold by the FDA or non- U. S. regulators; • inability to timely manufacture sufficient quantities of the drug candidate **or devices** required for a clinical trial; • difficulty recruiting and enrolling patients to participate in clinical trials for a variety of reasons, including **ability to find patients with a rare disease,** meeting the enrollment criteria for our study and competition from other clinical trial programs for the same indications as our drug candidates; • inability to retain enrolled patients after a clinical trial is underway; and • enrollment may be delayed or interrupted or patients may drop out of clinical trials due to or the fear of natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods, or monsoons, public health crises, such as pandemics and epidemics, political crisis, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control occurring at or around our clinical trials sites in the United States or Europe ~~. For example, the coronavirus outbreak may delay or impede enrollment in our clinical trials due to prioritization of hospital resources toward the outbreak, and some patients may not be able to comply with clinical trial protocols if quarantines impede patient movement or interrupt healthcare services, which would delay our ability to release clinical results and could impact our product candidates testing, development and timelines~~ . In addition, the design of a clinical trial can determine whether its results will support approval of a drug and flaws in the design of a clinical trial may not become apparent until the clinical trial is well- advanced. Changes in regulatory requirements and guidance may also occur and we may need to amend clinical trial protocols to reflect these changes with appropriate regulatory authorities. Amendments may require us to resubmit clinical trial protocols to IRBs **or ethics committees** for re- examination, which may impact the costs, timing or successful completion of a clinical trial. In addition, if we are required to conduct additional clinical trials or other preclinical studies of our drug candidates beyond those contemplated, our ability to obtain regulatory approval of these drug candidates and generate revenue from their sales would be similarly harmed. ~~If~~ **Clinical trials of our drug candidates have in the past been put on clinical holds by, and failed to demonstrate safety and efficacy to the satisfaction of, the FDA, and if** any future clinical trials of our ~~potential~~ drug candidates **are put on clinical holds by, or** fail to demonstrate safety and efficacy to the satisfaction of **,** the FDA **, the EMA,** or similar regulatory authorities outside the United States **,** or do not otherwise produce positive results, ~~or are put on clinical holds imposed by the FDA or similar regulatory authorities outside the United States,~~ we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our ~~potential~~ drug candidates. Before obtaining regulatory approvals for the commercial sale of any of our ~~potential~~ drug candidates, we must demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that our ~~potential~~ drug candidates are both safe and effective for use in each target indication. Each drug candidate must demonstrate an adequate risk versus benefit profile in its intended patient population and for its intended use. Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. **Clinical trials of our drug candidates have in the past been put on clinical holds imposed by, and failed to demonstrate safety and efficacy to the satisfaction of, the FDA, the EMA, or similar regulatory authorities outside of the United States. For example, on January 25, 2022, the FDA placed a full clinical hold on the IND for atuzaginstat (COR388), one of our assets that has since been out- licensed. On March 8, 2023, the FDA placed a partial clinical hold on the IND for EryDex related to extractables and leachables of new components used in the EryKit.** The **FDA subsequently lifted the partial clinical hold on September 23, 2023. The FDA may place additional clinical holds on our current or currently contemplated clinical programs or otherwise limit our ability to proceed with other clinical programs in our pipeline. Additionally, the** results of preclinical studies of our ~~potential~~ drug candidates may not be predictive of the results of early- stage or later- stage clinical trials, and results of early clinical trials of our ~~potential~~ drug candidates may not be predictive of the results of later- stage clinical trials **. For example, the Phase 3 ATTeST study conducted by EryDel failed to meet its primary endpoint** . The results of clinical trials in one set of patients or disease indications may not be predictive of those obtained in another. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the dosing regimen and other clinical trial protocols and the rate of dropout among clinical trial participants. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy profile despite having progressed through preclinical studies and initial clinical trials. A number of companies in the pharmaceutical industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety issues, notwithstanding promising results in earlier trials. This is particularly true in degenerative diseases, where failure rates historically have been higher than in many other disease areas. Most drug candidates that begin clinical trials are never approved by regulatory authorities for commercialization. In addition, even if such clinical trials are successfully completed, we cannot guarantee that the FDA **, the EMA,** or **other** foreign regulatory authorities will interpret the results as we do, and more trials could be required before we submit our drug candidates for approval. Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA **, the EMA,** or other regulatory authorities. The FDA **, the EMA,** or other regulatory authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected the integrity of the study. The FDA **, the EMA,** or other regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA **, the EMA,** or other regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of any of

our drug candidates. To the extent that the results of the trials are not satisfactory to the FDA **, the EMA,** or foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our drug candidates. Even if regulatory approval is secured for any of our drug candidates, the terms of such approval may limit the scope and use of our drug candidate, which may also limit its commercial potential. We **currently rely** ~~have in the past~~ and ~~may in the future~~ **expect to continue to** rely on third parties to conduct some of our preclinical studies and clinical trials and some aspects of our research and preclinical testing and on third- party contract manufacturing organizations to manufacture and supply our preclinical ~~and~~ **,** clinical **and commercial** materials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials, research, manufacturing or testing. We rely and expect to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions, and clinical investigators, to conduct some aspects of our research and preclinical testing and our clinical trials. We also **currently** rely on **and expect to continue to rely on,** third- party **CMOs** ~~contract manufacturing organizations~~ to manufacture and supply our preclinical ~~and~~ **,** clinical **and commercial** materials. Any of these third parties may terminate their engagements with us or be unable to fulfill their contractual obligations. If we need to enter into alternative arrangements, it would delay our future drug development activities. Our reliance on these third parties for research and development activities reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with current **GCP** ~~good clinical practice~~ regulations ~~, or GCP,~~ for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible, reproducible and accurate and that the rights, integrity, and confidentiality of trial participants are protected. We also are required to register any future clinical trials and post the results of completed clinical trials on a government- sponsored database within certain timeframes. Failure to do so can result in fines, adverse publicity, and civil and criminal sanctions **. Similar requirements and consequences may apply in countries outside the United States** . Reliance on third- party manufacturers entails additional risks, such as the possible breach of the manufacturing agreement by the third party, the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us and reliance on the third party for regulatory compliance, quality assurance, safety and related reporting. Third- party manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, marketing approvals for any drug candidates we may develop and will not be able to, or may be delayed in our efforts to, successfully commercialize our ~~medicines~~ **drug candidates** . We also expect to rely on other third parties to store and distribute drug supplies for our future clinical trials. Any performance failure on the part of our distributors could delay clinical development or marketing approval of any drug candidates we may develop or commercialization of our ~~medicines~~ **medicinal products** , producing additional losses and depriving us of ~~potential~~ drug revenue. **Risks Related to the Production and Manufacturing of our Drug Candidates and Future Products Our production capacity could prove insufficient for our needs. Our production capacity may prove insufficient in the future to meet the growth of our business, including producing sufficient quantities of drug candidates for clinical trials and, ultimately, our customers and distributors.** ~~The~~ **There** ~~shutdown of~~ **is no guarantee that we will** ~~our~~ **or** ~~lab facility may result in impairment loss~~ **have properly estimated our required manufacturing capacities or that the third parties we rely** on **to provide required machinery and materials for the manufacturing process will be able to perform on our proposed timelines** ~~our~~ **or** ~~lease as well as the sale of~~ **meet our manufacturing demands, if at all. Also, if we must increase production capacity for any reason, we may need to make considerable investments that could lead to significant financing needs** ~~our~~ **or** ~~fixed assets~~ **require us to enter into subcontracting agreements in order to outsource part of the production** . We ~~presently develop~~ **may not have access to the raw materials and other components, necessary for the manufacturing of** our ~~product~~ **drug** candidates **. We are dependent on third parties for the supply of various materials that are necessary to produce our drug candidates for clinical trials. If our agreements with one or more of these suppliers were to be terminated or if one or more of these suppliers are unable to meet our demands, we could experience delays in our research or planned clinical trials or commercialization. We could be unable to find alternative suppliers of acceptable quality, in the appropriate volumes and** at ~~our lab~~ **an acceptable cost. In addition, these materials are subject to stringent manufacturing processes and rigorous testing. Delays in the completion and validation of** facilities ~~in West Lafayette, Indiana. Due to the announced changes in corporate strategy on January 30, 2023, we anticipate impairment of our financing~~ and **manufacturing processes** ~~operating lease right~~ of ~~use asset, as well as a loss on the sale of our fixed assets in the first quarter of 2023. The successful closure of our West Lafayette lab facility will require certain personnel to remain employed with the Company through the closure. If~~ these **materials** ~~employees do not remain with the Company, it~~ could adversely ~~impact~~ **affect** our ~~closure timelines and our related expenses with closing the facility~~ **ability to complete trials and commercialize our products in a cost- effective and timely manner** . If we **encounter difficulties in the supply of these materials, chemicals or biological products, or if we were not able to maintain** ~~or~~ **our** ~~any of~~ **supply agreements, or establish new supply agreements in the future, our product development and our business prospects could be significantly compromised. Our manufacturing facilities are subject to significant government regulations and approvals. If we or** our third- party manufacturers **fail to comply with these regulations or maintain these approvals, our business will be materially harmed. We currently partially manufacture our Red Cell Loader machines and EryKit in our facility in Medolla, Italy. We and our third- party manufacturers are subject to ongoing regulation and periodic inspection by the FDA competent authorities of EU Member States and other regulatory bodies to ensure compliance with cGMP, as part of our clinical trials. Any failure to follow and document our or their adherence to such cGMP regulations or other regulatory requirements may lead to significant delays in the**

availability of products for commercial sale or clinical trials, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for our products. Failure to comply with applicable regulations could also result in the European Commission, FDA, the national authorities in the individual EU Member States, or other applicable regulatory authorities taking various actions, including: • levying fines and other civil penalties; • imposing consent decrees or injunctions; • requiring us to suspend or put on hold one or more of our clinical trials; • suspending, varying or withdrawing regulatory approvals; • delaying or refusing to approve pending applications or supplements to approved applications; • requiring us to suspend manufacturing activities or product sales, imports or exports; • requiring us to communicate with physicians and other customers about concerns related to actual or potential safety, efficacy, and other issues involving our products; • mandating product recalls or seizing products; • imposing operating restrictions; and • seeking criminal prosecutions. Any of the foregoing actions could be detrimental to our reputation, business, financial condition or operating results. Furthermore, our key suppliers may not continue to be in compliance with all applicable regulatory requirements, which could result in our failure to produce our products on a timely basis and in the required quantities, if at all. In addition, before any additional products would be considered for marketing approval in the United States, the EU or elsewhere, our suppliers will have to pass an audit by the applicable regulatory authorities. We are dependent on our suppliers' cooperation and ability to pass such audits, and the audits and any audit remediation may be costly. Failure to pass such audits by us or any of our suppliers would affect our ability to commercialize our drug candidates in the United States, the EU or elsewhere. Our production costs may be higher than we currently estimate. We manufacture our drug candidates according to manufacturing best practices applicable to drugs for clinical trials and to specifications approved by the applicable regulatory authorities. If any of our drug candidates are found to be non- compliant, we would be required to manufacture the drug candidates again, which would entail additional costs and may prevent delivery of the drug candidates to patients on time. Other risks inherent in the production process may have the same effect, such as: • contamination of the controlled atmosphere area; • unusable premises and equipment; • new regulatory requirements requiring a partial and / or extended stop to the production unit to meet the requirements; • unavailable qualified personnel; • power failure of extended duration; • logistical error; and • rupture in the cold chain, which is a system for storing and transporting blood and blood products within the correct temperature range and conditions. In addition, a rise in direct or indirect energy rates may increase product manufacturing and logistical costs. Any of these risks, should they occur, could disrupt our activities and compromise our financial position, results, reputation or growth. The manufacture of our products requires strict adherence to regulatory requirements governing medical devices and if we or our suppliers encounter problems our business could suffer. The manufacture of our products must comply with strict regulatory requirements governing Class II medical devices in the U. S. and other regulatory requirements in foreign locations. Problems may arise during manufacturing, quality control, storage, or distribution of our products for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, or problems with raw materials, electromechanical, software and other components, supplier issues, and natural disasters. If problems arise during production, the affected products may have to be discarded. In the EU, our RCL and EryKit medical devices, Syringe Kit, and process solutions, are subject to periodic inspections by our Notified Body to maintain CE Certificates of Conformity permitting us to affix the CE mark to our medical devices. We may also be subject to unannounced audits by national competent authorities to ensure compliance with applicable regulatory requirements. As a result of the transitional provisions in the MDR, some CE Certificates of Conformity issued by Notified Bodies in accordance with the MDD from May 2017, and which remained valid on May 26, 2021 will remain valid until December 31, 2027 for Class III and Class IIb implantable medical devices and until December 31, 2028 for other Class IIb, Class IIa and Class I devices with a measuring function or which are sterile. Class I medical devices, for which the conformity assessment procedure in accordance with the MDD did not require the involvement of a Notified Body but will require the involvement of a Notified Body in accordance with the MDR and for which an EU Declaration of Conformity was issued in accordance with the MDD prior to May 26, 2021, can continue to be placed on the EEA market until December 31, 2028. Manufacturers of medical devices may only benefit from the above extended transitional provisions deadlines if the following conditions are fulfilled: (i) the devices continue to comply with the requirements of the MDD, (ii) there are no significant changes in the design and intended purpose, (iii) the devices do not present an unacceptable risk to the health or safety of patients, users or other persons, or to other aspects of the protection of public health, (iv) the manufacturer implements a quality management system by May 26, 2024 which complies with the requirements of the MDR, (v) by May 26, 2024 an application is lodged with a Notified Body for conduct of the conformity assessment of the devices covered by the CE Certificate of Conformity, or the devices intended to substitute for such devices, in accordance with the MDR and a related written agreement is signed with the Notified Body by September 26, 2024, and (vi) from May 26, 2021, compliance with the MDR relating to post- market surveillance, market surveillance, vigilance, registration of economic operators and of devices is ensured in place of the corresponding requirements in the MDD. In addition, these CE Certificates of Conformity will remain valid in accordance with the extended transitional deadlines above only if either (i) the manufacturer signed a written agreement with a Notified Body for the conformity assessment of the device covered by the expired CE Certificate of Conformity, or the device intended to substitute that device, in accordance with the MDR before the date of expiry of the CE Certificate of Conformity, or (ii) a competent authority of an EU Member State has granted a derogation from the application conformity assessment procedure in accordance with Article 59 (1) or Article 97 (1) of the MDR. Any failure to comply with any of these obligations may impact our activities in the EEA, the renewal of our existing CE Certificates of Conformity and future conformity assessment activities. Manufacturing problems or delays could also lead to increased costs, lost sales, damage to customer relations, failure to supply penalties,

time and expense spent investigating the cause and depending on the cause, similar losses with respect to other batches of products. If problems are not discovered before the product is released to the market, voluntary recalls, corrective actions, or product liability related costs may also be incurred. If unanticipated problems with our products arise, or if we or our suppliers fail to comply with regulatory requirements following CE marking, we may also become subject to enforcement actions such as restrictions on manufacturing processes, warning letters, suspension, variation or withdrawal of CE Certificates of Conformity, civil or criminal penalties. Should we encounter difficulties in the manufacture of our products or be subject to a product recall, our business could suffer materially. If we or any of our third- party manufacturers or suppliers encounter difficulties in production of our future drug candidates, or fail to meet rigorously enforced regulatory standards, our ability to provide supply of our future drug candidates for clinical trials or for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure. The processes involved in manufacturing our ~~potential~~ drug candidates are highly regulated and subject to multiple risks. As drug candidates are developed through preclinical studies to late- stage clinical trials towards approval and commercialization, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our ~~potential~~ drug candidates to perform differently and affect the results of planned clinical trials or other future clinical trials. In order to conduct clinical trials of our ~~potential~~ drug candidates, or supply future commercial drug candidates **or devices**, if approved, we will need to manufacture them in small and large quantities. Our manufacturing partners may be unable to successfully modify or scale- up the manufacturing capacity for any of our drug candidates **or devices** in a timely or cost- effective manner, or at all. In addition, quality issues may arise during scale- up activities. If our manufacturing partners are unable to successfully scale- up the manufacture of our ~~potential~~ drug candidates **or devices** in sufficient quality and quantity, the development, testing and clinical trials of that drug candidate may be delayed or become infeasible, and regulatory approval or commercial launch of any resulting drug may be delayed or not obtained, which could significantly harm our business. The **supply of any of these materials used in EryKits or RCLs may be limited or any of the supply manufacturers may not meet relevant regulatory requirements, and if we are unable to obtain any of these materials in sufficient amounts, in a timely manner and at reasonable prices, or if we encounter delays or difficulties in our relationships with manufacturers or suppliers, the production of EryKits and RCLs may be delayed. If any of our suppliers is unwilling or unable to meet its supply obligations and we are unable to secure an alternative supply source in a timely manner and on favorable terms, our business, financial condition, and results of operations may be harmed and the market price of our common stock and other securities may decline. The** same risks ~~would~~ apply to our internal manufacturing facilities ~~, should we in the future decide to build internal manufacturing capacity. In addition, building internal manufacturing capacity would carry significant risks in terms of being able to plan, design and execute on a complex project to build manufacturing facilities in a timely and cost- efficient manner~~. In addition, the manufacturing process for any ~~potential~~ drug candidates ~~that we may develop~~ is subject to FDA and foreign regulatory requirements, and continuous oversight, and we will need to contract with manufacturers who can meet all applicable FDA and foreign regulatory authority requirements, including complying with ~~current good manufacturing practices, or~~ cGMPs, on an ongoing basis. If we or our third- party manufacturers are unable to reliably produce drug candidates in accordance with the requirements of the FDA or other regulatory authorities, we may not obtain or maintain the approvals we need to commercialize such future drug candidates. Even if we obtain regulatory approval for any of our ~~potential~~ drug candidates, there is no assurance that either we or our third **-** party contract manufacturers will be able to manufacture the approved drug in accordance with the requirements of the FDA or other regulatory authorities, to produce it in sufficient quantities to meet the requirements for the potential launch of the drug, or to meet potential future demand **. Moreover, we, or our contract manufacturers, any future collaborators and their contract manufacturers could be subject to periodic unannounced inspections by the FDA, competent authorities of EU Member States or other comparable foreign regulatory authorities, to monitor and ensure compliance with cGMP. Despite our efforts to audit and verify regulatory compliance, one or more of our third- party manufacturing vendors may be found on regulatory inspection by the FDA, competent authorities of EU Member States or other comparable foreign regulatory authorities to be noncompliant with cGMP regulations. Our failure, or the failure of our third- party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including shutdown of the third- party vendor or invalidation of drug product lots or processes, fines, injunctions, civil penalties, delays, suspension, variation or withdrawal of approvals, license revocation, seizures or recalls of drug candidates or drugs, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products, if approved, and significantly harm our business, financial condition, results of operations and prospects**. Any of these challenges could delay completion of clinical trials, require bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our drug candidate, impair commercialization efforts, increase our cost of goods, and have an adverse effect on our business, financial condition, results of operations and growth prospects **. If the market opportunities for our drug candidates are smaller than we believe they are, our revenue may be adversely affected, and our business may suffer. Because the target patient populations of our drug candidates are small, we must be able to successfully identify patients and acquire a significant market share to achieve profitability and growth. We focus our research and product development on treatments for rare and ultra- rare diseases. Given the small number of patients who have the diseases that we are targeting, our profitability and growth depend on successfully identifying patients with these rare and ultra- rare diseases. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and internal estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, and market research, and may prove to be**

incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases, and, as a result, the number of patients with these diseases may turn out to be lower than expected. Our effort to identify patients with diseases we seek to treat is in early stages, and we cannot accurately predict the number of patients for whom treatment might be possible. Additionally, the potentially addressable patient population for each of our drug candidates may be limited or may not be amenable to treatment with our drug candidates, and new patients may become increasingly difficult to identify or gain access to, which would adversely affect our results of operations and our business. If patients who currently receive assistance from us in paying for the cost of our drugs continue to receive assistance, if approved, or who receive free drugs in the future, will negatively impact our profitability. If EryDex is only approved for patients with A- T who are between six and nine years old, it will be limiting an already small patient population. Finally, even if we obtain significant market share for our drug candidates, because the potential target populations are very small, we may never achieve profitability despite obtaining such significant market share . If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any drug candidates we may develop **and for which we obtain approval** , we may not be successful in commercializing those drug candidates if and when they are approved. We do not have a sales or marketing infrastructure and have no experience in the sale, marketing, or distribution of pharmaceutical drug candidates **, if approved, or devices** . To achieve commercial success for any approved ~~potential~~ drug candidate for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing, and commercial support infrastructure to sell, or participate in sales activities with collaborators for, some of our ~~potential~~ drug candidates if and when they are approved. There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, factors that may inhibit our efforts to commercialize any ~~potential~~ drug candidates, if and when approved, whether alone or in collaboration with others: • our inability to recruit and retain adequate numbers of effective sales, marketing, coverage or reimbursement, customer service, medical affairs, and other support personnel; • the inability of sales personnel to obtain access to physicians or ~~persuade~~ **our failure to educate** adequate numbers of physicians ~~to prescribe~~ **on the benefits of** any future approved drug candidates; • the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement, and other acceptance by payors; • the inability to price our drug candidates **, if approved,** at a sufficient price point to ensure an adequate and attractive level of profitability; • the pricing of our products, particularly as compared to alternative treatments; • availability of alternative effective treatments for indications our ~~therapeutic~~ candidates are intended to treat and the relative risks, benefits and costs of those treatments; • restricted or closed distribution channels that make it difficult to distribute our drug candidates **, if approved,** to segments of the patient population; • the lack of complementary drug candidates **, if approved,** to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive drug candidate lines; and • unforeseen costs and expenses associated with creating an independent commercialization organization. If the commercial launch of a future drug candidate **, if approved,** for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our commercialization personnel. If we enter into arrangements with third parties to perform sales, marketing, commercial support, and distribution services, our sales revenue or the profitability of sales revenue may be lower than if we were to market and sell any drug candidates **, if approved,** we may develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to commercialize our ~~potential~~ drug candidates **, if approved,** or may be unable to do so on terms that are favorable to us. We may have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our drug candidates **, if approved,** effectively. If we do not establish commercialization capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our ~~potential~~ drug candidates if approved in the future. If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our drug candidates **, if approved** . We face an inherent risk of product liability as a result of the clinical testing of our drug candidates and will face an even greater risk when and if we commercialize any drug candidates **, if approved** . For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing **, early access program** , manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product, negligence, strict liability or a breach of warranties. Product liability claims may be brought against us by participants enrolled in our clinical trials, patients, health care providers or others using, administering ~~or selling~~ our drug candidates **or selling our drug candidates, if approved** . Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit testing and commercialization of our drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in: • decreased or interrupted demand for our drug candidates; • withdrawal of clinical trial participants and inability to continue clinical trials; • initiation of investigations by regulators; • costs to defend the related litigation; • a diversion of management' s time and our resources; • substantial monetary awards to trial participants or patients; • drug recalls, withdrawals or labeling, marketing or promotional restrictions; • termination of clinical trial sites or entire trial programs; • injury to our reputation and significant negative media attention; • loss of revenue; • exhaustion of any available insurance and our capital resources; • the inability to commercialize any drug candidate **, if approved** ; and • a decline in our share price. Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of drug candidates we develop, alone or with potential collaborators. Our insurance policies may have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We

may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise. We may be exposed to a variety of international risks that could materially adversely affect our business. Our business is subject to risks associated with conducting business internationally. Some of our suppliers and clinical trial centers are located outside of the United States. ~~In particular, we are conducting clinical trial operations in Australia.~~ We may enter into agreements with third parties for the development and commercialization of drug candidates in international markets **. We also plan to seek regulatory approval of our drug candidates outside of the United States** . International business relationships will subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including: • differing regulatory requirements for drug approvals internationally; • rejection or qualification of foreign clinical trial data by the competent authorities of other countries; • **price controls on our drug products; •** complexities and difficulties in obtaining, maintaining, protecting and enforcing our intellectual property; • potential third- party patent rights in countries outside of the United States; • **different United States and foreign drug import and export rules; • different reimbursement systems and different competitive drugs indicated to treat the indications for which our drug candidates are being developed; •** the potential for so- called " parallel importing, " which is what occurs when a local seller, faced with relatively high local prices, opts to import goods from another jurisdiction with relatively low prices, rather than buying them locally; • the potential for so- called " parallel exporting, " which is what occurs when a local seller buys goods meant for the locals and sells the goods for a higher price in another country, potentially causing or aggravating supply problems; • unexpected changes in tariffs, trade barriers and regulatory requirements; • economic weakness, including inflation, **bank failures,** or political instability, particularly in non- U. S. economies and markets, including several countries in Europe; • compliance with tax **, including withholding of payroll taxes** , employment, immigration and labor laws for employees living or traveling abroad; • regulatory and compliance risks that relate to anti- corruption compliance and record-keeping that may fall within the purview of the U. S. Foreign Corrupt Practices Act, its accounting provisions or its anti- bribery provisions or provisions of anti- corruption or anti- bribery laws in other countries; • taxes in other countries; • financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations; • foreign currency fluctuations, which could result in increased operating expenses and reduced revenue, and other obligations incident to doing business in another country; • workforce uncertainty in countries where labor unrest is more common than in the United States; • production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; ~~and •~~ business interruptions resulting from geo- political actions, including war and terrorism, public health crises, such as pandemics and epidemics, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires **; and • compliance with evolving and expansive international data privacy laws, such as the EU GDPR** . Any of these factors could harm our ongoing international clinical operations and supply chain, as well as any future international expansion and operations and, consequently, our business, financial condition, prospects and results of operations. **For example, the UK has voluntarily departed from the EU, commonly referred to as " Brexit. " We do not know to what extent Brexit will impact the business and regulatory environment in the UK, the EU, or other countries. Changes impacting our ability to conduct business in the UK, or other EU countries, or changes to the regulatory regime in those countries, may impact certain portions of our research and general business operations in the UK and the EU.** The ~~COVID-~~ **United Kingdom' s withdrawal from the EU may have a negative effect on global economic conditions, financial markets and our business, which could reduce the price of our common shares. Following Brexit, the UK and the EU signed a EU** - ~~19 pandemic~~ **UK Trade and Cooperation Agreement , or TCA, which became provisionally applicable on January 1, 2021 and entered into force on May 1, 2021. This agreement provides details on how some aspects of the UK and EU' s relationship will operate going forwards however there are still uncertainties. The TCA primarily focuses on ensuring free trade between the EU and the UK in relation to goods, including medicinal products. Among the changes that have occurred are that Great Britain (England, Scotland and Wales) is treated** as ~~well as~~ **a " third country, " a country that is not a member of the EU and whose citizens do not enjoy the EU right to free movement. Northern Ireland continues to follow many aspects of the EU regulatory rules, particularly in relation to trade in goods. As part of the TCA, the EU and the UK recognize GMP inspections carried out by the** other ~~public health crises, catastrophic events or~~ **party and the acceptance of official GMP documents issued by the** other ~~events outside of~~ **party. The TCA also encourages, although it does not oblige, the parties to consult one another on proposals to introduce significant changes to technical regulations** ~~our~~ - **or** ~~control~~ **inspection procedures. Among the areas of absence of mutual recognition are batch testing and batch release. The UK has unilaterally agreed to accept EU batch testing and batch release. However , the EU continues to apply EU laws that require batch testing and batch release to take place in the EU territory. This means that medicinal products that are tested and released in the UK must be retested and re- released when entering the EU market for commercial use. As it relates to marketing authorizations, Great Britain has a separate regulatory submission process, approval process and a separate national marketing authorization. Northern Ireland continues, however, to be covered by the marketing authorizations granted by the European Commission. For example, the scope of a marketing authorization for a medicinal product granted by the European Commission or by the competent authorities of EU Member States no longer encompasses Great Britain (England, Scotland and Wales). In these circumstances, a separate marketing authorization granted by the UK competent authorities is required to place medicinal products on the market in Great Britain. Northern Ireland continues, however, to be covered by the marketing authorizations granted by the European Commission. On February 27, 2023, the UK Government and the European Commission reached a political agreement on the so- called " Windsor Framework ". The Framework is intended to revise the Northern Ireland Protocol to**

address some of the perceived shortcomings in its operation. The agreement was adopted at the Withdrawal Agreement Joint Committee on March 24, 2023. If the changes are adopted in the form proposed, medicinal products to be placed on the market in the UK will be authorized solely in accordance with UK laws. Northern Ireland would be reintegrated back into a UK- only regulatory environment under the authority of the MHRA with respect to all medicinal products. The implementation of the Windsor Framework would occur in stages, with new arrangements relating to the supply of medicinal products into Northern Ireland anticipated to take effect in 2025. A significant proportion of the regulatory framework in the UK applicable to medicinal products is currently derived from EU Directives and Regulations. The potential for UK legislation to diverge from EU legislation following Brexit could materially impact the regulatory regime with respect to the development, manufacture, import, approval, and commercialization of our drug candidates in the UK or the EU. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may **be impacted. All of these changes could increase our costs and otherwise** adversely affect our **business** ~~capabilities or the capabilities of third parties on which we depend . Our headquarters are located in California near major geologic faults that have experienced earthquakes in the past. An~~ **Any delay in obtaining** ~~earthquake or other natural disaster or power shortages or outages could disrupt operations , impair critical systems~~ or **an inability to obtain, any regulatory approvals, as a** result ~~in loss~~ of **Brexit** ~~clinical samples. Any of these disruptions or other events outside of our~~ **or** ~~control~~ **otherwise,** ~~could~~ **would** ~~have a material adverse impact on~~ **prevent us from commercializing our drug candidates in the UK** ~~our~~ **or** ~~business, harming~~ **the EU and restrict** our ~~operating results~~ **ability to generate revenue and achieve and sustain profitability** . In addition, ~~if~~ **we may be required to pay taxes or duties or be subjected to other hurdles in connection with the importation of our drug candidates into the EU. If** any of **these outcomes occur, we may be forced to restrict** ~~our~~ **or delay efforts to seek** ~~suppliers or third- party service providers, such as our manufacturing partners or CROs, are affected by natural disasters, such as earthquakes, tsunamis, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, political instability or other conflict, cyberattacks, or other events outside of our control, our business and operating results could suffer. Disasters, public health crises and political crises occurring at third- party facilities also could negatively impact our clinical development and~~ regulatory approval ~~timelines,~~ **in the UK** ~~our~~ **or the EU for our drug candidates, or incur significant additional expenses to operate our business, which could significantly and materially harm or delay our ability to generate revenues or achieve profitability of our business. Any further changes in international trade, tariff and import / export** ~~reputation~~ **regulations** ~~and~~ **as a result of Brexit or otherwise may impose unexpected duty costs or other non- tariff barriers on us. These developments, or** the perception **that any** of ~~our company. For example, as a result of the~~ **them could** ~~COVID- 19 pandemic, we and our~~ **occur** ~~third- party service providers temporarily limited our operations~~ **, may significantly reduce global trade and, in particular, trade between the impacted nations and the UK. It is also possible that Brexit may negatively affect** ~~or~~ **our** ~~implemented limitations~~ **ability to attract and retain employees** , **particularly those** ~~including work-~~ from ~~- home policies. All employees have now returned to their~~ -- **the EU** ~~pre- pandemic work locations and activities. However, as long as the pandemic continues, our employees may be exposed to health risks and government directives may require us to close again certain of our offices or our laboratory facility. In addition, as a result of" shelter- in- place" orders or other mandated travel restrictions, our on- site staff conducting research and development activities may not be able to access our laboratories, and these core activities may be significantly limited or curtailed, possibly for an extended period of time. Further, due to travel restrictions and " shelter- in- place " orders, we may experience limitations on the ability to recruit and hire key personnel due to the inability to meet with candidates and reduced ability to engage with the medical and investor communities due to the cancelation of conferences scheduled throughout the year. We also may experience operational challenges caused by sickness of our employees or their families, the desire of employees to avoid contact with large groups of people, and an increased reliance on working from home or mass transit disruptions. Furthermore, new quarantines for COVID- 19 or other viruses could impact personnel at contract manufacturing facilities in the United States and Europe or elsewhere to deliver key materials or the availability or cost of starting materials. Any disruption of our contract manufacturing vendors in the United States and Europe or elsewhere to deliver key materials on a timely basis could have a material adverse effect on the initiation of new trials, the duration of open label extension studies and overall product development .** We may not be able to manage our business effectively if we are unable to attract and retain key personnel and consultants, and the loss of such persons could negatively impact the operations of the company. We may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses or any other circumstances that would cause them no longer to provide their professional services to us in the near future. If we are not able to attract and retain necessary personnel and consultants to accomplish our business objectives, we may experience constraints that will significantly impede the achievement of our development objectives, our ability to raise additional capital and our ability to implement our business strategy. In addition, we may need to adjust the size of our workforce as a result of changes to our expectations for our business, which can result in diversion of management attention, disruptions to our business, and related expenses. In addition, we ~~recently~~ **previously** announced a reduction in force, impacting a number of employees. Any further reduction in force may yield unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended reduction in force, the distraction of employees, reduced employee morale and could adversely affect our reputation as an employer, which could make it more difficult for us to hire new employees in the future and increase the risk that we may not achieve the anticipated benefits from the cost reduction program. Our industry has experienced a high rate of turnover of management personnel in recent years. Potential changes in management could be disruptive to our business and may also result in our loss of unique skills and loss of knowledge about our business. Such turnover may also result in the departure of other existing employees or partners. Replacing executive officers, key employees and consultants may be difficult and may take an extended

period because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, gain regulatory approval of and commercialize drug candidates successfully. Competition to hire and retain employees and consultants from this limited pool is intense, and we may be unable to hire, train, retain or motivate these additional key personnel and consultants. Our failure to retain or replace key personnel or consultants could materially harm our business. Additionally, the members of our management team have limited experience managing a public company, interacting with public company investors, and complying with the increasingly complex laws, rules and regulations that specifically govern public companies, which could cause our management to have to expend time and resources helping them become familiar with such requirements. We may lose our ability to implement our business strategy successfully and could be seriously harmed. Any of our executive officers or key employees or consultants may terminate their employment at any time. We have scientific and clinical advisors and consultants who assist us in formulating our research, development and clinical strategies. These advisors are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. Non- compete agreements are not permissible or are limited by law in certain jurisdictions and, even where they are permitted, these individuals typically will not enter into non- compete agreements with us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. In addition, our advisors may have arrangements with other companies to assist those companies in developing drug candidates or technologies that may compete with ours. Our employees, independent contractors, consultants, commercial partners and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements and insider trading, which could significantly harm our business. We are exposed to the risk of fraud or other misconduct by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional failures to comply with the regulations of the FDA and non- U. S. regulators, provide accurate information to the FDA and non- U. S. regulators, comply with health care fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the health care industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions. Our insurance policies are expensive and only protect us from some business risks, which will leave us exposed to significant uninsured liabilities. We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, products liability and directors' and officers' insurance. We do not know, however, if we will be able to maintain insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations. Failure **(or perceived failure)** to comply with health and data protection laws and regulations could lead to government enforcement actions, which could include civil or criminal penalties, private litigation, and / or adverse publicity and could negatively affect our operating results and business. ~~We and any~~ **In the ordinary course** of **business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, " process ") personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third- party data, business plans, transactions, financial information and (collectively, " sensitive data "). As a result, we and** our ~~potential~~ collaborators **are or** may ~~be~~ **become** subject to **various** federal, state, and foreign data protection laws and regulations (i. e., laws and regulations that address privacy and data security). In the United States, numerous federal and state laws and regulations ~~,~~ including federal health information privacy laws, state **comprehensive consumer privacy laws, state** data breach notification laws, state health information privacy laws, and federal and state consumer protection laws ~~,~~ that govern the collection, use, disclosure, and protection of health- related and other personal information **apply or** could apply to our operations or the operations of **our** collaborators **. Similar laws are being considered in various other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. These developments may further complicate compliance efforts and increase legal risk and compliance costs for us and the collaborators upon whom we rely** . In addition, we may obtain health information from third parties (including research institutions from which we obtain clinical trial data) that are subject to privacy and security requirements under the federal ~~Health Insurance Portability and Accountability Act of 1996, or~~ HIPAA ~~,~~ as amended by the ~~Health Information Technology for Economic and Clinical Health Act of 2009, or~~ HITECH. Depending on the facts and circumstances, we could be subject to civil, criminal, and administrative penalties if we violate **(or are perceived to violate)** HIPAA. ~~Several~~ **Many** foreign jurisdictions, including ~~the European Union, or~~ the EU, its member states, the United Kingdom and Australia, among others, have **also** adopted legislation and regulations that increase or change the requirements governing the collection, use, disclosure and transfer of the personal information of individuals in these jurisdictions. These laws **, and similar laws being considered in other countries,** and regulations are complex and change frequently, at times due to changes in political climate, and existing laws and regulations are subject to different and conflicting interpretations, which adds to the complexity of processing personal data from these jurisdictions. These laws have the potential to increase costs of compliance, risks of noncompliance and penalties for noncompliance. ~~The General Data Protection Regulation, or~~ **For example, the EU' s** GDPR ~~,~~ imposes numerous ~~new~~ requirements for the collection, use and disclosure of personal information, including more stringent requirements relating to consent and the information that must be shared with data subjects about how

their personal information is used, the obligation to notify regulatory authorities and affected individuals of personal data breaches, extensive ~~new~~ internal privacy governance obligations, and obligations to honor expanded rights of individuals in relation to their personal information (for example, the right to access, correct and delete their data). In addition, the GDPR generally maintains restrictions on cross- border data transfer **, and as a result we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries** . The GDPR ~~will~~ **may** increase our responsibility and liability in relation to personal data that we process, and ~~we~~ may **also increase our costs of** ~~be required to put in place additional potential mechanisms to ensure~~ compliance. Compliance with U. S. and international data protection laws and regulations could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate in certain jurisdictions. Failure **(or perceived failure)** to comply with these laws and regulations could result in government enforcement actions (which could include civil, criminal and administrative penalties), private litigation, and / or adverse publicity and could negatively affect our operating results and business. ~~Moreover,~~ **Actual or perceived failure to comply with privacy laws may also cause** clinical trial subjects, employees and other individuals about whom we or our potential collaborators obtain personal information, as well as the providers who share this information with us, ~~may~~ **to** limit our ability to collect, use and disclose ~~the~~ **personal** information. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time- consuming to defend and could result in adverse publicity that could harm our business. Changes in healthcare law and implementing regulations, as well as changes in healthcare policy, may impact our business in ways that we cannot currently predict, and may have a significant adverse effect on our business and results of operations. In the United States and some foreign jurisdictions, there have been, and continue to be, several legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of drug candidates, restrict or regulate post- approval activities, and affect our ability to profitably sell any drug candidates for which we obtain marketing approval. Among policy makers and payors in the United States and elsewhere, including in the ~~European Union, or~~ EU, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality and / or expanding access. In the United States, the pharmaceutical industry has been a particular focus of these efforts and has been significantly affected by major legislative initiatives. The ~~Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively the ACA~~ **PPACA** , substantially changed the way healthcare is financed by both the government and private insurers, and significantly impacts the U. S. pharmaceutical industry. Since its enactment, there have been executive, judicial and Congressional challenges to certain aspects of the ~~ACA~~ **PPACA** . It is possible that the ~~ACA~~ **PPACA** will be subject to judicial or Congressional challenges in the future. It is unclear how any such challenges and the healthcare reform measures will impact the ~~ACA~~ **PPACA** and our business. Other healthcare reform measures that may be adopted in the future could have a material adverse effect on our industry generally and on our ability to maintain or increase sales of our existing products that we successfully commercialize or to successfully commercialize our drug candidates, if approved. In addition to the ~~ACA~~ **PPACA** , there will continue to be proposals by legislators at both the federal and state levels, regulators and third- party payors to keep healthcare costs down while expanding individual healthcare benefits. For example, on August 16, 2022, President Biden signed the ~~Inflation Reduction Act of 2022 (~~ IRA ~~)~~ into law, which among other things, extends enhanced subsidies for individuals purchasing health insurance coverage in ~~ACA~~ **PPACA** marketplaces through plan year 2025. The IRA also eliminates the " donut hole " under the Medicare Part D program beginning in 2025 by significantly lowering the beneficiary maximum out- of- pocket cost and through a newly established manufacturer discount program. It is unclear how these or similar policy initiatives will impact the ~~ACA~~ **PPACA** and our business. Other legislative changes have been proposed and adopted since the ~~ACA~~ **PPACA** was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2 % per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and, due to subsequent legislative amendments to the statute, will remain in effect until ~~2031~~ **2032** , unless additional Congressional action is taken ~~. Under current legislation, the actual reduction in Medicare payments will vary from 1 % in 2022 to up to 4 % in the final fiscal year of this sequester~~ . New laws may result in additional reductions in Medicare and other healthcare funding, which may adversely affect customer demand and affordability for our drug candidates and, accordingly, the results of our financial operations. Also, there has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their marketed drug candidates, which has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, in July 2021, the Biden administration released an executive order, " Promoting Competition in the American Economy, " with multiple provisions aimed at prescription drugs. In response to Biden' s executive order, on September 9, 2021, the Department of ~~health~~ **Health** and Human Services (HHS) released a Comprehensive Plan for Addressing High Drug Prices that outlines principles for drug pricing reform and sets out a variety of potential legislative policies that Congress could pursue as well as potential administrative actions HHS can take to advance these principles. Further, the IRA will, among other things (i) allow HHS to negotiate the price of certain high- expenditure, single- source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the " negotiated fair price " under the law and (ii) impose rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. **The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has and will continue to issue and update guidance as these programs are implemented.** It is currently unclear how the IRA will be effectuated but is likely to have a significant impact on the pharmaceutical industry. Further, **in response to** the Biden administration ~~released an additional~~ **' s October 2022** executive order **,** on ~~October~~ **February** 14, ~~2022~~ **2023** , ~~directing~~ HHS

released ~~to submit~~ a report **outlining** ~~on how the~~ **three** ~~Center for Medicare and Medicaid Innovation can be further leveraged to test~~ new models for **testing by the CMS Innovation Center which will be evaluated on their ability to** ~~lowering~~ **lower** ~~drug~~ **the** ~~costs~~ **cost** ~~for Medicare~~ **of drugs, promote accessibility,** and ~~Medicaid beneficiaries~~ **improve quality of care** . It is unclear whether **the models** ~~this executive order or similar policy initiatives~~ will be ~~implemented~~ **utilized in any health reform measures** in the future. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We expect that these and other healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and lower reimbursement, and in additional downward pressure on the price that we receive for any approved drug candidate. Any reduction in reimbursement from Medicare or other government- funded programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability or commercialize our drug candidates, once marketing approval is obtained. Our ability to successfully commercialize any drugs that we develop depends in part on the extent to which coverage and adequate reimbursement are available from government health administration authorities, private health insurers, and other organizations. Our ability to successfully commercialize any drugs that we develop depends in part on the extent to which coverage and adequate reimbursement are available from government health administration authorities, private health insurers, and other organizations. Government authorities and third- party payors, such as private health insurers and health maintenance organizations, each individually decide which medications they will pay for and establish reimbursement levels. A primary trend in the U. S. healthcare industry and elsewhere is cost containment. Government authorities and third- party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Government authorities currently impose mandatory discounts for certain patient groups, such as Medicare, Medicaid and ~~Veterans Affairs, or~~ VA ~~,~~ hospitals, and may seek to increase such discounts at any time. Future regulation may negatively impact the price of our ~~product~~ **drug** candidates, if approved. Increasingly, third- party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that coverage or reimbursement will be available for any drug candidate that we commercialize and, if coverage or reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, any drug candidate for which we obtain marketing approval. In order to get coverage and reimbursement, physicians may need to show that patients have superior treatment outcomes with our products compared to standard of care drugs, including lower- priced generic versions of standard of care drugs. It is possible that a third- party payor may consider our ~~product~~ **drug** candidates, once approved, and other therapies as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our ~~product~~ **drug** candidates, once approved, compared to existing products, pricing of existing products may limit the amount we will be able to charge for our ~~product~~ **drug** candidates ~~. once approved~~ . Third- party payors may deny or revoke the reimbursement status of a given drug product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in product development. Because ~~NOV004~~ **EryDex** is **still** in ~~the early stages of~~ development, we are unable at this time to determine the likely level or method of coverage and reimbursement from third- party payors. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate for which we obtain marketing approval. In the United States, no uniform policy of coverage and reimbursement for products exists among third- party payors, and coverage decisions and reimbursement levels for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time consuming and costly process that may require us to provide scientific and clinical support for the use of our products to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained. There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the medicine is approved by the FDA or other comparable foreign regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale, and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third- party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies, but make their determinations independently and may impose additional restrictions. Our inability to promptly obtain and maintain coverage and profitable payment rates from both government- funded and private payors for any approved products we may develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drug candidates, and our overall financial condition. Further, coverage policies and third- party payor reimbursement rates may change at any time. Therefore, even if favorable coverage and reimbursement status is attained, less favorable coverage policies and reimbursement rates may be implemented in the future. In the EU, coverage and reimbursement status of any drug candidates for which we obtain regulatory approval are provided for by the national laws of EU member states. The requirements may differ across the EU member states. ~~Also~~ **The EU provides options for EU Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. An EU Member State may approve a specific price for the medicinal product** , **it may refuse to reimburse a product** at **the price set by the manufacturer or it may instead adopt a**

system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. Many EU Member States also periodically review their reimbursement procedures for medicinal products, which could have an adverse impact on reimbursement status. Moreover, in order to obtain reimbursement for our products in some European countries, including some EU Member States, we may be required to compile additional data comparing the cost- effectiveness of our products to other available therapies. This HTA of medicinal products is becoming an increasingly common part of the pricing and reimbursement procedures in some EU Member States, including those representing the larger markets. The HTA process is the procedure to assess therapeutic, economic and societal impact of a given medicinal product in the national **healthcare systems of the individual country. The outcome of an HTA will often influence the pricing and reimbursement status granted to these medicinal products by the competent authorities of individual EU Member States. The extent to which pricing and reimbursement decisions are influenced by the HTA of the specific medicinal product currently varies between EU Member States. In December 2021, Regulation No 2021 / 2282 on HTA amending Directive 2011 / 24 / EU, was adopted in the EU. This Regulation, which entered into force in January 2022 and will apply as of January 2025, is intended to boost cooperation among EU Member States in assessing health technologies, including new medicinal products, and providing the basis for cooperation at EU** level ~~, actions have been taken to enact transparency laws regarding payments between pharmaceutical companies~~ **for joint clinical assessments in these areas. The Regulation foresees a three- year transitional period** and **will permit EU Member States to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative** health ~~care professionals~~ **technologies with the most potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU Member States will continue to be responsible for assessing non- clinical (e. g., economic, social, ethical) aspects of health technologies, and making decisions on pricing and reimbursement** . If we ~~engage in acquisitions, we will incur a variety of costs and we may never realize the anticipated benefits of such acquisitions. We~~ are **unable** ~~presently engaging in a strategy~~ to ~~acquire businesses, technologies~~ **maintain favorable pricing and reimbursement status in EU Member States** ~~or~~ **for** drug candidates that we ~~believe are a strategic fit~~ **may successfully develop and for which we may obtain regulatory approval, any anticipated revenue from and growth prospects for those products in the EU could be negatively affected. In light of the fact that the United Kingdom has left the EU, Regulation No 2021 / 2282 on HTA will not apply in the United Kingdom. However, the UK MHRA is working** with **UK HTA bodies** ~~our business. If we do undertake any acquisitions, the process of integrating an~~ **and** ~~acquired business, technology or drug candidate into our business may result in unforeseen operating difficulties and expenditures, including diversion of resources and management' s attention from our core business. In addition, we may fail to retain key executives and employees of the companies we acquire, which may reduce the value of the acquisition or give rise to additional integration costs. Future acquisitions could result in additional issuances of equity securities that would dilute the ownership of existing stockholders. Future acquisitions could also result in the incurrence of debt, contingent liabilities or the amortization of expenses related to~~ other ~~intangible assets~~ **national organizations** , **such as** ~~any of which could adversely affect our operating results. In addition, we may fail to realize~~ the ~~anticipated benefits~~ **Scottish Medicines Consortium, the National Institute for Health and Care Excellence, and the All- Wales Medicines Strategy Group, to introduce new pathways supporting innovative approaches to the safe, timely and efficient development** of ~~any acquisition~~ **medicinal products** . Interim, top- line and preliminary data from our future clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit and verification procedures that could result in material changes in the final data. From time to time, we may publicly disclose preliminary or top- line data from our future clinical studies, which are based on a preliminary analysis of then- available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular study or trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top- line results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Top- line data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, top- line data should be viewed with caution until the final data are available. From time to time, we may also disclose interim data from our clinical studies. In addition, we may report interim analyses of only certain endpoints rather than all endpoints. Interim data from future clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between preliminary or interim data and final data could significantly harm our business prospects. Further, disclosure of interim data by us or by our competitors could result in volatility in the price of our common stock. Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular drug candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure, and any information we determine not to disclose may ultimately be deemed significant with respect to future decisions, conclusions, views, activities or otherwise regarding a particular drug, drug candidate or our business. If the top- line data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, our drug candidates may be harmed, which could harm our business, operating results, prospects or financial condition. ~~Changes in funding for the FDA and other government agencies or other disruptions at these agencies could~~

~~prevent new products and services from being developed or commercialized in a timely manner, which could negatively impact our business. The ability of the FDA and other agencies to review and approve new drugs can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies may prolong the time necessary for new drugs to be reviewed and / or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, including for 35 days beginning on December 22, 2018, the U. S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities. If a prolonged government shutdown occurs, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business.~~ Even if we obtain regulatory approval for a ~~potential~~ drug candidate, it will remain subject to extensive ongoing regulatory review and requirements. If any of our future drug candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record- keeping, conduct of post- marketing studies, and submission of safety, efficacy, and other post- market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities. Manufacturers and manufacturers' facilities are required to comply with extensive requirements imposed by the FDA and comparable foreign regulatory authorities, including ensuring that quality control and manufacturing procedures conform to cGMPs regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA **. Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production and quality control. We also are required to register our establishments and list our products with the FDA and certain state agencies. We and any third party manufacturers or suppliers must continually adhere to federal regulations setting forth cGMP (for drugs) and QSR (for medical devices), and their foreign equivalents, which are enforced by the FDA and other national regulatory bodies through their facilities inspection programs. In complying with cGMP and foreign regulatory requirements, we and any of our third- party manufacturers or suppliers will be obligated to expend time, money and effort in production, record- keeping and quality control to ensure that our products meet applicable specifications and other requirements. QSR requirements also impose extensive testing, control and documentation requirements. State regulatory authorities and the regulatory agencies of other countries have similar requirements. In addition, we will be required to comply with regulatory requirements of the FDA, state regulatory agencies and the regulatory agencies of other countries concerning the reporting of AEs and device malfunctions, corrections and removals (e. g., recalls), promotion and advertising and general prohibitions against the manufacture and distribution of adulterated and misbranded devices. Failure to comply with these regulatory requirements could result in enforcement actions, including, but not limited to, significant civil fines, product seizures, injunctions and / or criminal prosecution of responsible individuals and us. Any such actions would have a material adverse effect on our business, financial condition and results of operations. Manufacturers and manufacturers' facilities are required to comply with extensive requirements imposed by the FDA and comparable foreign regulatory authorities, including ensuring that quality control and manufacturing procedures conform to cGMPs regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA or comparable foreign application** . Accordingly, we and others with whom we work must continue to expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production and quality control. Any regulatory approvals that we receive for our potential drug candidates will be subject to limitations on the approved indicated uses for which the drug candidate may be marketed and promoted or to the conditions of approval (including the potential for a requirement to implement a Risk Evaluation and Mitigation Strategy) or contain requirements for potentially costly post- marketing testing. We will be required to report certain adverse reactions and production problems, if any, to the FDA and comparable foreign regulatory authorities. Any new legislation addressing drug safety issues could result in delays in drug development or commercialization, or increased costs to assure compliance. The FDA and other agencies, including the Department of Justice, **as well as foreign regulatory authorities** closely regulate and monitor the post- approval marketing and promotion of drug candidates to ensure that they are manufactured, marketed and distributed only for the approved indications and in accordance with the provisions of the approved labeling. We will have to comply with requirements concerning advertising and promotion for our potential drug candidates **and any products for which we receive approval** . Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the drug candidate' s approved label. As such, we may not promote our potential drug candidates for indications or uses for which they do not have approval. **In the EU, the advertising and promotion of medicinal products are subject to both EU and EU Member States' laws governing promotion of medicinal products, interactions with physicians and other healthcare professionals, misleading and comparative advertising and unfair commercial practices. General requirements for advertising and promotion of medicinal products, such as direct- to- consumer advertising of prescription medicinal products are established in EU law. However, the details are governed by regulations in individual EU Member States and can differ from one country to another. For example, applicable laws require that promotional materials and advertising in relation to medicinal products comply with the product' s Summary of Product Characteristics, or SmPC, which may require approval by the competent national authorities in connection with an MA. The SmPC is the document that provides information to physicians concerning the safe and effective use of the product. Promotional activity that does not comply with the SmPC is considered off- label and is prohibited in the EU.** The holder of an approved NDA **or equivalent foreign application** must

submit new or supplemental applications and obtain approval for certain changes to the approved drug candidate labeling, or manufacturing process. We could also be asked to conduct post- marketing clinical trials to verify the safety and efficacy of our potential drug candidates in general or in specific patient subsets. If original marketing approval was obtained via the accelerated approval pathway, we could be required to conduct a successful post- marketing clinical trial to confirm clinical benefit for our drug candidates. An unsuccessful post- marketing study or failure to complete such a study could result in the withdrawal of marketing approval. If a regulatory ~~agency~~ **authority** discovers previously unknown problems with a drug **or device** , such as **AEs** ~~adverse events~~ of unanticipated severity or frequency, or problems with the facility where the drug candidate is manufactured, or disagrees with the promotion, marketing or labeling of a drug candidate, **including if approved,** such regulatory ~~agency~~ **authority** may impose restrictions on that drug candidate **, an approved drug,** or us, including requiring withdrawal of the **approved** drug ~~candidate~~ from the market. If we fail to comply with applicable regulatory requirements, a regulatory ~~agency~~ **authority** or enforcement authority may, among other things: • issue warning or untitled letters that would result in adverse publicity; • impose civil or criminal penalties; • suspend **, vary** or withdraw regulatory approvals; • suspend any of our ongoing clinical trials; • mandate modifications to promotional materials or require us to provide corrective information to healthcare practitioners; • require us to enter into a consent decree or permanent injunction, which can include imposition of various fines, reimbursements for inspection costs, required due dates for specific actions and penalties for noncompliance ~~; • withdraw regulatory approval~~ ; • refuse to approve pending applications or supplements to approved applications submitted by us; • impose restrictions on our operations, including closing our contract manufacturers' facilities; • seize or detain drug candidates **or approved drugs** ; or • require a drug candidate **or approved drugs** recall. Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our drug candidates. If regulatory sanctions are applied or if regulatory approval is **suspended, varied or** withdrawn, the value of our company and our operating results will be adversely affected . The policies of the FDA and....., financial condition and results of operations . Non- compliance by us or any future collaborator with regulatory requirements, including safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population can also result in significant financial penalties **. We may be unable to obtain and retain orphan drug designations for some of our drug candidates or to maintain the benefits associated with orphan drug designation status, including market exclusivity, which may cause our revenue, if any, to be reduced. Regulatory authorities in some jurisdictions, including the United States and the EU, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may grant orphan drug designation to a drug intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200, 000 in the United States, or a patient population greater than 200, 000 in the United States when there is no reasonable expectation that the cost of developing and making available the drug in the United States will be recovered from sales in the United States for that drug. Orphan drug designation must be requested before submitting an NDA. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages, and user- fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. In the EU, the European Commission, following an opinion from the EMA' s Committee for Orphan Medicinal Products may grant orphan drug designation to promote the development of products (i) that are intended for the diagnosis, prevention, or treatment of a life- threatening or chronically debilitating conditions; (ii) either such conditions affect not more than five in 10, 000 persons in the EU community, or without incentives, it is unlikely that sales of the drug in the EU would be sufficient to justify the necessary investment in developing the drug or biological product; and (iii) there exists no satisfactory authorized method of diagnosis, prevention, or treatment of the condition that has been authorized in the EU, or even if such method exists, the product will be of significant benefit to those affected by that condition. In the EU, orphan drug designation provides a range of potential incentives for medicinal products that have been granted an orphan designation by the European Commission, including protocol assistance, access to the centralized authorization procedure and fee reductions. If a product that has orphan drug designation subsequently receives the first FDA approval for a particular active ingredient for the disease for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including an NDA, to market the same drug for the same indication for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan product exclusivity or if the FDA finds that the holder of the orphan product exclusivity has not shown that it can assure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. A product may obtain orphan drug exclusivity for each indication that has been designated upon approval of the indication, subject to the qualifications above. Any orphan drug exclusivity granted for second or subsequent indications applies only to those subsequent indications and does not block approval of a product for the first indication once the initial period of exclusivity has expired. Moreover, even if one of our drug candidates receives orphan product exclusivity, the FDA can still approve other drugs that have a different active ingredient for use in treating the same indication or disease. In the EU, upon grant of a marketing authorization, orphan medicinal products are entitled to a ten- year period of market exclusivity for the approved therapeutic indication, which means that the EMA cannot accept another marketing authorization application or accept an application to extend for a similar product and the European Commission cannot grant a marketing authorization for the same indication for a period of ten years. The period of market exclusivity is extended by two years for orphan medicinal products that have also complied with an agreed PIP. No extension to any**

supplementary protection certificate can be granted on the basis of pediatric studies for orphan indications. Orphan medicinal product designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The period of market exclusivity may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria on the basis of which it received orphan medicinal product destination, including where it can be demonstrated on the basis of available evidence that the original orphan medicinal product is sufficiently profitable not to justify maintenance of market exclusivity or where the prevalence of the condition has increased above the threshold. Additionally, an MA may be granted to a similar medicinal product with the same orphan indication during the 10 year period if: (i) if the applicant consents to a second original orphan medicinal product application; (ii) if the manufacturer of the original orphan medicinal product is unable to supply sufficient quantities; or (iii) if the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior to the original orphan medicinal product. A company may voluntarily remove a product from the register of orphan products. We have received orphan drug designation by the FDA and European Commission for EryDex for the treatment of A- T. We may seek orphan drug designation in the United States, the EU and other European countries for additional orphan indications in which there is a medically plausible basis, including other rare diseases. In the future, exclusive marketing rights in the United States, if granted, may be limited if we seek approval for an indication broader than the orphan drug designated indication and may be lost if the FDA later determines that the request for the orphan drug designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. In addition, although we have sought or intend to seek orphan drug designation, we may never receive approval for such designations . If we fail to comply with healthcare laws, we could face substantial penalties and our business, operations and financial condition could be adversely affected. Our operations are subject to various federal and state fraud and abuse and other healthcare laws. The laws that may impact our operations include: • federal Anti- Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act; • federal civil and criminal false claims laws, including the False Claims Act, and civil monetary penalty laws, which impose criminal and civil penalties, including through civil " qui tam " or " whistleblower " actions, against individuals or entities from, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid, or other third- party payors that are false or fraudulent or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government. Similar to the federal Anti- Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them in order to have committed a violation; • the federal ~~Health Insurance Portability and Accountability Act of 1996 (~~ HIPAA ~~)~~, which created new federal criminal statutes that prohibit, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e. g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters; • HIPAA, as amended by HITECH, and their respective implementing regulations, which impose requirements on certain covered healthcare providers, health plans, and healthcare clearinghouses as well as their respective business associates and their subcontractors that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization; • the federal Physician Payment Sunshine Act, created under the ~~ACA~~ **PPACA** , and its implementing regulations, which require certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children' s Health Insurance Program to report annually to the U. S. Department of Health and Human Services under the Open Payments Program, information related to payments or other transfers of value made to physicians, (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain other healthcare professionals (such as physician assistants and nurse practitioners), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; • federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and • analogous state and foreign laws and regulations, such as state and foreign anti- kickback, false claims, consumer protection and unfair competition laws which may apply to pharmaceutical business practices, including but not limited to, research, distribution, sales and marketing arrangements as well as submitting claims involving healthcare items or services reimbursed by any third- party ~~payer~~ **payor** , including commercial insurers; state **and foreign** laws that require pharmaceutical companies to comply with the pharmaceutical industry' s voluntary compliance guidelines and the relevant compliance guidance promulgated by the ~~federal~~ government that otherwise restricts payments that may be made to healthcare providers and other potential referral sources; state **and foreign** laws that require the registration of sales representatives; state **and foreign** laws that require drug manufacturers to file reports with states **or foreign regulatory authorities** regarding pricing and marketing information, such as the tracking and reporting of gifts, compensations and other remuneration and items of value provided to healthcare professionals and entities; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from

each other in significant ways and may not have the same effect, thus complicating compliance efforts **. Outside the United States, interactions between pharmaceutical companies and health care professionals are also governed by strict laws, such as national anti- bribery laws of European countries, national sunshine rules, regulations, industry self- regulation codes of conduct and physicians' codes of professional conduct. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment** . Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities, including compensating physicians with stock or stock options, could, despite our efforts to comply, be subject to challenge under one or more of such laws. Efforts to ensure that our business arrangements will comply with applicable healthcare laws may involve substantial costs. It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, imprisonment, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of our drug candidates **, if approved,** outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above **and comparable risks** , among other foreign laws . ~~If adopted~~ **The policies of the FDA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent,limit or delay regulatory approval of our potential drug candidates.We cannot predict the likelihood,nature or extent of government regulation that may arise from future legislation or administrative action,either** in the **United States** ~~form proposed,the recent European Commission proposals to revise the existing EU laws governing authorization of medicinal products may result in a decrease in data and market exclusivity opportunities for our drug candidates in the EU and make them open to generic~~ or **abroad** ~~biosimilar competition earlier than is currently the case with a related reduction in reimbursement status~~ .If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies,or if we are not able to maintain regulatory compliance,we may lose any future marketing approval that we may have obtained and we may not achieve or sustain profitability,which would adversely affect our business,prospects,financial condition and results of operations . If we or any contract manufacturers and suppliers we engage fail to comply with environmental, health, and safety laws and regulations, we could become subject to fines or penalties or incur costs that could have a material adverse effect on the success of our business. We and any contract manufacturers and suppliers we engage are subject to numerous federal, state, and local environmental, health, and safety laws, regulations, and permitting requirements, including those governing laboratory procedures; the generation, handling, use, storage, treatment, and disposal of hazardous and regulated materials and wastes; the emission and discharge of hazardous materials into the ground, air, and water; and employee health and safety. Our operations involve the use of hazardous and flammable materials, including chemicals and radioactive materials. Our operations also produce hazardous waste. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. Under certain environmental laws, we could be held responsible for costs relating to any contamination at our current or past facilities and at third- party facilities. We also could incur significant costs associated with civil or criminal fines and penalties. Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research, drug development and manufacturing efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes. Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific hazardous waste insurance coverage, and our property, casualty, and general liability insurance policies specifically exclude coverage for damages and fines arising from hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. Our business activities may be subject to the ~~Foreign Corrupt Practices Act, or~~ FCPA ~~,~~ and similar anti- bribery and anti- corruption laws. Our business activities may be subject to the FCPA and similar anti- bribery or anti- corruption laws, regulations or rules of other countries in which we may operate, including the **UK** ~~U. K.~~ Bribery Act. The FCPA generally prohibits offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly, to a non- U. S. government official in order to influence official action, or otherwise obtain or retain business. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. Our business is heavily regulated and therefore involves significant interaction with public officials, including officials of non- U. S. governments. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. Recently the ~~Securities and Exchange Commission, or~~ SEC ~~,~~ and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, contractors, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of our facilities, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance

programs, and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our drug candidates in one or more countries and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results, and financial condition. Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize potential future drug candidates. We may consider collaboration arrangements with pharmaceutical or biotechnology companies for the development or commercialization of drug candidates depending on the merits of retaining or divesting some or all commercialization rights. We will face, to the extent that we decide to enter into collaboration agreements, significant competition in seeking appropriate collaborators. Moreover, collaboration arrangements are complex and time- consuming to negotiate, document, implement and maintain. We may not be successful in our efforts to establish and implement collaborations or other alternative arrangements should we so chose to enter into such arrangements. The terms of any collaborations or other arrangements that we may establish may not be favorable to us. Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include that: • collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations; • collaborators may not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive drug candidates, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities; • collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials or require a new formulation of a drug candidate for clinical testing; • collaborators could independently develop, or develop with third parties, drug candidates that compete directly or indirectly with our drug candidates; • a collaborator with marketing, manufacturing and distribution rights to one or more drug candidates may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities; • we could grant exclusive rights to our collaborators that would prevent us from collaborating with others; • collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability; • disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our current or future drug candidates or that results in costly litigation or arbitration that diverts management attention and resources; • collaborations may be terminated, and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future drug candidates; • collaborators may own or co- own intellectual property covering our drug candidates that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property; and • a collaborator' s sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings. Risks Relating to Our Intellectual Property If we are unable to obtain and maintain sufficient intellectual property protection for our current drug candidates, any future drug candidates, and other proprietary technology we develop, or if the scope of the intellectual property protection is not sufficiently broad, our competitors could develop and commercialize drug candidates similar or identical to ours, and our ability to successfully commercialize our current drug candidate, if approved, any future drug candidates, and other proprietary technologies if approved, may be adversely affected. Our commercial success will depend in part on obtaining and maintaining a combination of patent protection, trade secret protection and confidentiality agreements to protect the intellectual property related to our current and future drug candidates and the methods used to manufacture them, as well as successfully defending these patents against third- party challenges. Our ability to stop third parties from making, using, selling, offering to sell or importing our drug candidates is dependent upon the extent to which we have rights under valid and enforceable patents or trade secrets that cover these activities. The patent positions of biotechnology and pharmaceutical companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. No consistent policy regarding the breadth of claims allowed in pharmaceutical patents has emerged to date in the United States or in many jurisdictions outside of the United States. Changes in either the patent laws or interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be enforced in the issued patents that we currently own, or in patents that may issue from the applications we currently or may in the future own or license from third parties. Further, if any patents we obtain or license are deemed invalid and unenforceable, our ability to commercialize or license our technology could be adversely affected. Others may have filed, and in the future are likely to file, patent applications covering drug candidates that are similar, identical or competitive to ours or important to our business. We cannot be certain that any patent application owned by a third party will not have priority over patent applications filed or in- licensed by us, or that we or our licensors will not be involved in interference, opposition or invalidity proceedings before U. S. or non- U. S. patent offices. The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. Only limited protection may be available and may not adequately protect our rights or permit us to gain or keep any competitive advantage. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our current or future drug candidates and proprietary technologies and erode or negate any competitive advantage we may have, which could have a material adverse effect on our financial condition and results of operations. For example: • others may be able to make compounds that are similar to our drug candidates but that are not covered by the claims of our patents; • we might not have been the first to make the inventions covered by our pending patent applications; • we might not have been the first to file patent applications for these inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies; • any patents that we obtain may not provide us

with any competitive advantages; • we may not develop additional proprietary technologies that are patentable; or • the patents of others may have an adverse effect on our business. **Should any of these events occur, they would significantly harm our business, results of operations and prospects.** We have applied, and we intend to continue applying, for patents covering aspects of our current drug candidates **and device** , any future drug candidates, **any future improvements on the device** or other proprietary technologies and their uses that we deem appropriate. However, we may not be able to apply for patents on certain aspects of our current or future drug candidates, proprietary technologies and their uses in a timely fashion, at a reasonable cost, in all jurisdictions, or at all, and any potential patent coverage we obtain may not be sufficient to prevent substantial competition. ~~As of December 31, 2022, we were the owner of record of 10 issued U. S. patents, 39 non- U. S. patents, and 35 pending U. S. and non- U. S. patent applications and Novosteo LLC, a wholly owned subsidiary, is the owner of record of 1 additional pending PCT patent application (all issued U. S. patents, non- U. S. patents, and pending U. S. and non- U. S. patent applications mentioned above, collectively, " the Quince patent portfolio "). As of December 31, 2022, we had seven issued U. S. patents and 36 issued non- U. S. patents in the Quince patent portfolio related to atuzaginstat (COR388), with claims directed to atuzaginstat (COR388) and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, and use of these compounds in the treatment of various indications. Pending U. S. and non- U. S. patent applications in the Quince patent portfolio relate to atuzaginstat (COR388) and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, methods of using these compounds in the treatment of various indications, and methods of making these compounds. In addition, four issued U. S. patents and four non- U. S. patents in the Quince patent portfolio relate to pharmaceutical compounds that do not encompass atuzaginstat (COR388), with claims directed to pharmaceutical compounds, pharmaceutical compositions containing these compounds, and use of these compounds in the treatment of various indications. Pending U. S. and non- U. S. patent applications relate to additional compounds in these areas, as well as to diagnostic methods and assay methods. We assigned these patents to Lighthouse Pharmaceuticals, Inc. effective January 27, 2023. One issued U. S. patent in the Quince patent portfolio relates to NOV004, with claims directed to NOV004 and related pharmaceutical compounds and use of these compounds in the treatment of bone fractures. Pending U. S. and non- U. S. patent applications in the Quince patent portfolio relate to NOV004 and related pharmaceutical compounds, pharmaceutical compositions containing these compounds, and methods of using these compounds in the treatment of various indications.~~ Without patent protection on ~~the composition of matter of~~ our current or future drug candidates, our ability to assert our patents to stop others from using or selling our current or future drug candidates may be limited. Due to the patent laws of a country, or the decisions of a patent examiner in a country, or our own filing strategies, we may not obtain patent coverage for all of our current or future drug candidates or methods involving the use of these candidates in a particular patent application. We plan to pursue divisional patent applications or continuation patent applications in the United States and other countries, where applicable, to obtain claim coverage for inventions which were disclosed but not claimed in a particular parent patent application. The patent application process is subject to numerous risks and uncertainties, and there can be no assurance that we or any of our actual or potential future collaborators will be successful in protecting our current drug candidates, any future drug candidate, and other proprietary technologies and their uses by obtaining, defending, and enforcing patents. These risks and uncertainties include the following: • the U. S. Patent and Trademark Office, or USPTO, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process, the noncompliance with which can result in abandonment or lapse of a patent or patent application, and partial or complete loss of patent rights in the relevant jurisdiction; • patent applications may not result in any patents being issued; • patents that may be issued or in- licensed may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage; • our competitors, many of whom have substantially greater resources than we do and many of whom have made significant investments in competing technologies, may seek or may have already obtained patents that will limit, interfere with or eliminate our ability to make, use and sell our ~~potential~~ drug candidates; • other parties may have designed around our claims or developed technologies that may be related or competitive to our platform, may have filed or may file patent applications and may have received or may receive patents that overlap or conflict with our patent applications, either by claiming the same compounds, compositions of matter, or methods, or formulations, or by claiming subject matter that could dominate our patent position; • any successful opposition to any patents owned by or licensed to us could deprive us of rights necessary to prevent others from practicing our technologies or to successfully commercialize any drug candidates that we may develop; • because patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain that we or our licensors were the first to file any patent application related to our current drug candidates, any future drug candidates, and other proprietary technologies and their uses; • an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of applications we may in- license which have an effective filing date before March 16, 2013; • there may be significant pressure on the U. S. government and international governmental bodies to limit the scope of patent protection both inside and outside the United States for disease treatments that prove successful, as a matter of public policy regarding worldwide health concerns; and • countries other than the United States may have patent laws less favorable to patentees than those upheld by U. S. courts, allowing foreign competitors a better opportunity to create, develop and market competing drug candidates in those countries. The patent prosecution process is also expensive and time- consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner ~~, including delays as a result of the COVID- 19 pandemic impacting our or our licensor' s operations~~ . It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Although we enter into non- disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, CROs, contract manufacturers, consultants, advisors and other third

parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection for such output. In addition, our ability to obtain and maintain valid and enforceable patents depends on whether the differences between our inventions and the prior art allow our inventions to be patentable over the prior art. Furthermore, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in any of our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions. We may also rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or feasible. However, trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees, consultants, contractors, outside scientific collaborators and other advisors may unintentionally or willfully disclose our information to competitors. Enforcing a claim that a third party illegally obtained and is using any of our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know- how ~~. We depend on a license agreement with Purdue and termination of this license could result in the loss of significant rights, which would harm our business. On June 3, 2020, Novosteo entered into a License Agreement with Purdue Research Foundation, as amended on March 21, 2022 and July 22, 2022 (the " Purdue Agreement "). Under the Purdue Agreement, we obtained an exclusive worldwide license under certain bone fracture repair and oncology therapeutics related patents and technology developed by the Purdue University and owned by Purdue Research Foundation to make or have made, use, sell or have sold, and import, and otherwise exploit products that are covered by such patents and technology, including the right to grant and authorize sublicenses, subject to Purdue Research Foundation' s consent. Such exclusive license is subject to certain rights retained by the U. S. government and Purdue Research Foundation. In addition, we are required to pay Purdue Research Foundation annual license maintenance fee, development milestones (up to $ 4. 25 million for each licensed product), low single digit running royalty on the gross receipts of the licensed products (subject to minimum annual royalty), and a share of certain payments that we may receive from our sublicensees. As a result, it may not be possible for us to develop and manufacture any drug candidates at a cost or in quantities sufficient to make these drugs commercially viable or to maintain current operating margins. The Purdue Agreement also requires us to bear the cost of the prosecution and maintenance of the licensed patents. Pursuant to the Purdue Agreement, we are required to use commercially reasonable efforts to develop, manufacture and commercialize the licensed product in accordance with a mutually agreed development timelines and commercialization plan. If we fail to pay any sum due, miss any milestone timelines or otherwise materially breach the agreement or fail to cure such breach within specified cure period), Purdue has the right to terminate our license, and upon the effective date of such termination, we must cease all activities licensed all rights, data, information, know- how, and material licensed or transferred to us under this license agreement will revert to Purdue and all rights, data, information, know- how, material, records and registrations developed or made by us that relate in whole or in part to the activities contemplated by our amended and restated license agreement with Purdue will be transferred to Purdue. Any uncured, material breach under the license agreement could result in loss in our rights to develop and market NOV004 and experience significant delays in the development or commercialization of NOV004, which could have a material adverse impact on our operations and financial condition and results. Further, Purdue Research Foundation or any future licensors may not always act in our best interest. If disputes over intellectual property rights that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, our business, results of operations, financial condition, and prospects may be adversely affected. We may enter into additional licenses in the future and if we fail to comply with obligations under those agreements, we could suffer adverse consequences. In addition, the United States federal government retains certain rights in inventions produced with its financial assistance under the Patent and Trademark Law Amendments Act, or the Bayh- Dole Act. Under the Bayh- Dole Act, the federal government retains a " nonexclusive, nontransferable, irrevocable, paid- up license " for its own benefit in invention produced with its financial assistance. The Bayh- Dole Act also provides federal agencies with " march- in rights. " March- in rights allow the government, in specified circumstances, to require the contractor or successors in title to the patent to grant a " nonexclusive, partially exclusive, or exclusive license " to a " responsible applicant or applicants. " If the patent owner refuses to do so, the government may grant the license itself. We sometimes collaborate with academic institutions to accelerate our preclinical research or development. While it is our policy to avoid engaging our university partners in projects in which there is a risk that federal funds may be commingled, we cannot be sure that any co- developed intellectual property will be free from government rights pursuant to the Bayh- Dole Act. If, in the future, we co- own or license in technology which is critical to our business that is developed in whole or in part with federal funds subject to the Bayh- Dole Act, our ability to enforce or otherwise exploit patents covering such technology may be adversely affected~~ . We may be involved in lawsuits to protect or enforce our patents or the patents of our licensors, which could be expensive, time consuming, and unsuccessful. Further, our issued patents could be found invalid or unenforceable if challenged in court, and we may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights. Third parties, including competitors, may infringe, misappropriate or otherwise violate our patents, patents that may issue to us in the future, or the patents of our licensors that are licensed to us. To counter infringement or unauthorized use, we may need to choose to file infringement claims, which can be expensive and time- consuming. We may not be able to prevent, alone or with our licensors, infringement, misappropriation, or other violation of our intellectual property, particularly in countries where the laws may not protect those rights as fully as in the United States. If we choose to go to court to stop another party from using the inventions claimed in any patents we obtain, that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced against that third party for any number of reasons. In patent litigation in the United States, defendant counterclaims alleging invalidity and / or unenforceability are commonplace. Grounds for a validity challenge include

an alleged failure to meet any of several statutory requirements for patentability, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could include an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO, even outside the context of litigation. Similar mechanisms for challenging the validity and enforceability of a patent exist in non- U. S. patent offices and may result in the revocation, cancellation, or amendment of any non- U. S. patents we hold in the future. The outcome following legal assertions of invalidity and unenforceability is unpredictable, and prior art could render our patents, or those of our licensor' s, invalid. If a defendant were to prevail on a legal assertion of invalidity and / or unenforceability, we would lose at least part, and perhaps all, of the patent protection on one or more drug candidates. Such a loss of patent protection would have a material adverse impact on our business. These lawsuits are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if we were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that we do not have the right to stop the other party from using the claimed inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party' s activities do not infringe our rights to such patents. In addition, the U. S. Supreme Court has recently modified some tests used by the USPTO in granting patents over the past 20 years, which may decrease the likelihood that we will be able to obtain patents and increase the likelihood of challenge of any patents we obtain or license. Interference or derivation proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications, or those of our licensor' s. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms or at all, or if a non- exclusive license is offered and our competitors gain access to the same technology. Our defense of litigation or interference proceedings may fail and, even if successful, may result in substantial costs and distract our management and other employees. In addition, the uncertainties associated with litigation could have a material adverse effect on our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties or enter into development or manufacturing partnerships that would help us bring our current and any future drug candidates to market. Even if resolved in our favor, litigation or other legal proceedings relating to our intellectual property rights may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Our ability to enforce our patent rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their drug candidates. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor' s or potential competitor' s drug candidate. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded if we were to prevail may not be commercially meaningful. In addition, proceedings to enforce or defend our patents, including those of our licensor' s, could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our drug candidates are invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of our drug candidates, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights. If we initiate lawsuits to protect or enforce our patents, or litigate against third party claims, such proceedings would be expensive and would divert the attention of our management and technical personnel. We may infringe the intellectual property rights of others, which may prevent or delay our drug development efforts and stop us from commercializing or increase the costs of commercializing our drug candidates. Our success will depend in part on our ability to operate without infringing the intellectual property rights of third parties. We cannot guarantee that our drug candidates, or manufacture or use of our drug candidates, will not infringe third- party patents. Furthermore, a third party may claim that we or our manufacturing or commercialization collaborators are using inventions covered by the third party' s patent rights and may go to court to stop us from engaging in our normal operations and activities, including making or selling our drug candidates. These lawsuits are costly and could affect our results of operations and divert the attention of managerial and scientific personnel. There is a risk that a court would decide that we or our commercialization collaborators are infringing the third party' s patents and would order us or our collaborators to stop the activities covered by the patents. In that event, we or our commercialization collaborators may not have a viable way around the patent and may need to halt commercialization of the relevant drug candidate. In addition, there is a risk that a court will order us or our collaborators to pay the other party damages for having violated the other party' s patents. If we collaborate with third parties in the development of technology in the future, our collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability. Further, our collaborators may infringe the intellectual property rights of third parties, which

may expose us to litigation and potential liability. In the future, we may agree to indemnify our collaborators against certain intellectual property infringement claims brought by third parties. The pharmaceutical and biotechnology industries have produced a proliferation of patents, and it is not always clear to industry participants, including us, which patents cover various types of drug candidates or methods of use. The coverage of patents is subject to interpretation by the courts, and the interpretation is not always uniform. Any claims of patent infringement asserted by third parties would be time consuming and could: • result in costly litigation; • divert the time and attention of our technical personnel and management; • cause development delays; • prevent us from out- licensing ~~our legacy assets~~ or commercializing ~~NOV004~~ **EryDex**, or our other drug candidates until the asserted patent expires or is finally held invalid, unenforceable, or not infringed in a court of law; • require us to develop non- infringing technology, which may not be possible on a cost- effective basis; • require us to pay damages to the party whose intellectual property rights we may be found to be infringing, which may include treble damages if we are found to have been willfully infringing such intellectual property; • require us to pay the attorney' s fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing; and / or • require us to enter into royalty or licensing agreements, which may not be available on commercially reasonable terms, or at all. If we are sued for patent infringement, we would need to demonstrate that our drug candidates or methods either do not infringe the patent claims of the relevant patent or that the patent claims are invalid or unenforceable, and we may not be able to do this. Proving invalidity or unenforceability is difficult. For example, in the United States, proving invalidity requires a showing of clear and convincing evidence to overcome the presumption of validity enjoyed by issued patents. Even if we are successful in these proceedings, we may incur substantial costs and divert management' s time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, which may not be available, defend an infringement action or challenge the validity or enforceability of the patents in court. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non- infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid or unenforceable, we may incur substantial monetary damages, encounter significant delays in bringing our drug candidates to market and be precluded from manufacturing or selling our drug candidates. We do not routinely conduct independent reviews of pending patent applications of and patents issued to third parties. We cannot be certain that others have not filed patent applications for technology covered by our pending applications, or that we were the first to invent the technology, because: • some patent applications in the United States may be maintained in secrecy until the patents are issued; • patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived; • pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our drug candidates or the use of our drug candidates; • identification of third- party patent rights that may be relevant to our technology is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims; • patent applications in the United States are typically not published until 18 months after the priority date; and • publications in the scientific literature often lag behind actual discoveries. Furthermore, the scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent' s prosecution history and can involve other factors such as expert opinion. Our interpretation of the relevance or the scope of claims in a patent or a pending application may be incorrect, which may negatively impact our ability to market our drug candidates. Further, we may incorrectly determine that our technologies, or drug candidates are not covered by a third- party patent or may incorrectly predict whether a third party' s pending patent application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our drug candidates. Our competitors may have filed, and may in the future file, patent applications covering technology similar to ours, and others may have or obtain patents or proprietary rights that could limit our ability to make, use, sell, offer for sale or import our drug candidates and future approved products or impair our competitive position. Numerous third- party U. S. and foreign issued patents and pending patent applications exist in the fields in which we are developing drug candidates. There may be third- party patents or patent applications with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our drug candidates. Any such patent application may have priority over our patent applications, which could further require us to obtain rights to issued patents covering such technologies. If another party has filed a U. S. patent application on inventions similar to ours, we may have to participate in an interference proceeding declared by the USPTO to determine priority of invention in the United States. The costs of these proceedings could be substantial, and it is possible that such efforts would be unsuccessful if, unbeknownst to us, the other party had independently arrived at the same or similar inventions prior to our own inventions, resulting in a loss of our U. S. patent position with respect to such inventions. Other countries have similar laws that permit secrecy of patent applications, and may be entitled to priority over our applications in such jurisdictions. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations. We may not identify relevant third- party patents or may incorrectly interpret the relevance, scope or expiration of a third- party patent, which might adversely affect our ability to develop and market our products. As the ~~biopharmaceutical~~ **biotechnology** industry expands and more patents are issued, the risk increases that our ~~product~~ **drug** candidates may be subject to claims of infringement of the patent rights of third parties. There can be no assurance that our operations do not, or will not in the future, infringe existing or future third- party patents. Identification of third- party patent rights that may be relevant to our operations is difficult because patent searching is imperfect due to differences in terminology among patents, incomplete databases and the difficulty in assessing the meaning of patent claims. We cannot guarantee that any of our patent searches or

analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third- party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our ~~product~~ **drug** candidates in any jurisdiction. Numerous U. S. and foreign patents and pending patent applications exist in our market that are owned by third parties. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our products. We do not always conduct independent reviews of pending patent applications of and patents issued to third parties. Patent applications in the United States and elsewhere are typically published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Certain U. S. applications that will not be filed outside the U. S. can remain confidential until patents issue. In addition, patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived. Furthermore, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our products or the use of our products. As such, there may be applications of others now pending or recently revived patents of which we are unaware. These patent applications may later result in issued patents, or the revival of previously abandoned patents, that will prevent, limit or otherwise interfere with our ability to make, use or sell our products. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent' s prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect. For example, we may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third- party' s pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products. We cannot provide any assurances that third- party patents do not exist which might be enforced against our current technology, including our research programs, ~~product~~ **drug** candidates, their respective methods of use, manufacture and formulations thereof, and could result in either an injunction prohibiting our manufacture or future sales, or, with respect to our future sales, an obligation on our part to pay royalties and / or other forms of compensation to third parties, which could be significant **.** Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on any issued patents and / or pending applications are due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and / or applications. We have systems in place to remind us to pay these fees, and we employ an outside firm to pay these fees due to the USPTO and non- U. S. patent agencies. The USPTO and various non- U. S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. If we license intellectual property **,** we may have to rely upon our licensors to comply with these requirements and effect payment of these fees with respect to any patents and patent applications that we license. However, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business. We may be subject to claims that we have wrongfully hired an employee from a competitor or that we or our employees have wrongfully used or disclosed alleged confidential information or trade secrets of their former employers. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers. If we are not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of our technology and drug candidate could be significantly diminished. As is common in the biotechnology and pharmaceutical industries, we employ individuals who were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may be subject to claims that these employees, or we, have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. We may also be subject to claims that former employees, or other third parties have an ownership interest in our patents or other intellectual property. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, which could adversely affect our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed. We rely on trade secrets to protect our proprietary technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We rely in part on confidentiality agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors, and invention assignment agreements with employees, consultants and advisors, to protect our trade secrets and other proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical

and technological security measures. Despite these efforts, we cannot provide any assurances that all such agreements have been duly executed, and these agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets and proprietary information. For example, the FDA, as part of its Transparency Initiative, is currently considering whether to make additional information publicly available on a routine basis, including information that we may consider to be trade secrets or other proprietary information, and it is not clear at the present time how the FDA' s disclosure policies may change in the future, if at all. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position. In addition, such security measures may not provide adequate protection for our proprietary information, for example, in the case of misappropriation of a trade secret by an employee, consultant, customer or third party with authorized access. Our security measures may not prevent an employee, consultant or customer from misappropriating our trade secrets and providing them to a competitor, and any recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our drug candidates that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time- consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, the criteria for protection of trade secrets can vary among different jurisdictions. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time- consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. Moreover, third parties may still obtain this information or may come upon this or similar information independently, and we would have no right to prevent them from using that technology or information to compete with us. Trade secrets could over time be disseminated within the industry through independent development, the publication of journal articles and the movement of personnel skilled in the art from company to company or academic to industry scientific positions. Though our agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third- party contractors and consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our drug candidates and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of these events occurs or if we otherwise lose protection for our trade secrets, the value of this information may be greatly reduced and our competitive position would be harmed. In the future, we may need to obtain licenses of third- party technology that may not be available to us or are available only on commercially unreasonable terms, and which may cause us to operate our business in a more costly or otherwise adverse manner that was not anticipated. From time to time we may be required to license technology from third parties to further develop or commercialize our drug candidates. Should we be required to obtain licenses to any third- party technology, including any such patents required to manufacture, use or sell our drug candidates, such licenses may not be available to us on commercially reasonable terms, or at all. The inability to obtain any third- party license required to develop or commercialize any of our drug candidates could cause us to abandon any related efforts, which could seriously harm our business and operations. Where we obtain licenses from or collaborate with third parties, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties, or such activities, if controlled by us, may require the input of such third parties. We may also require the cooperation of our licensors and collaborators to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business, in compliance with applicable laws and regulations, which may affect the validity and enforceability of such patents or any patents that may issue from such applications. Moreover, if we do obtain necessary licenses, we will likely have obligations under those licenses, including making royalty and milestone payments, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license, or expiration of licensed patents or patent applications, could have a material adverse impact on our business. Our business would suffer if any such licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. Furthermore, if any exclusive licenses terminate, or if the underlying patents fail to provide the intended exclusivity, competitors or other third parties may gain the freedom to seek regulatory approval of, and to market, drug candidates identical to ours. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor' s rights. In addition, while we cannot currently determine the amount of the royalty obligations, we would be required to pay on sales of future drug candidates, if any, the amounts may be significant. The amount of our future royalty obligations will likely depend on the technology and intellectual property we use in drug candidates that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize drug candidates, we may be unable to achieve or maintain profitability. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our

business or permit us to maintain our competitive advantage. For example: • others may be able to make drug candidates that are similar to ours but that are not covered by the claims of the patents that we own; • we or future collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or have exclusively licensed; • we or future collaborators might not have been the first to file patent applications covering certain of our inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights; • it is possible that our pending patent applications will not lead to issued patents; • issued patents that we own or have exclusively licensed may be held invalid or unenforceable, as a result of legal challenges by our competitors; • our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive drug candidates for sale in our major commercial markets; • we cannot ensure that any of our patents, or any of our pending patent applications, if issued, or those of our licensors, will include claims having a scope sufficient to protect our drug candidates; • we cannot ensure that any patents issued to us or our licensors will provide a basis for an exclusive market for our commercially viable drug candidates or will provide us with any competitive advantages; • we cannot ensure that our commercial activities or drug candidates will not infringe upon the patents of others; • we cannot ensure that we will be able to successfully commercialize our drug candidates on a substantial scale, if approved, before the relevant patents that we own or license expire; • we may not develop additional proprietary technologies that are patentable; and • ~~Should any of these events occur, they~~ **the** ~~would significantly harm~~ **patents of others may have an adverse effect on** our business, ~~results of operations~~ **including if others obtain patents claiming subject matter similar to or improving that covered by our patents** and ~~prospects.~~ **patent applications;** Because of the expense and uncertainty of litigation, we may not be in a position to enforce our intellectual property rights against third parties. Because of the expense and uncertainty of litigation, we may conclude that even if a third party is infringing our issued patent, any patents that may be issued as a result of our pending or future patent applications or other intellectual property rights, the risk- adjusted cost of bringing and enforcing such a claim or action may be too high or not in the best interest of our company or our stockholders **. Our competitors or other third parties may be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non- litigious action or solution. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, in- license needed technology or other drug candidates, or enter into development partnerships that would help us bring our drug candidates to market** . In such cases, we may decide that the more prudent course of action is to simply monitor the situation or initiate or seek some other non- litigious action or solution. We may not be able to protect our intellectual property rights throughout the world. Patents are of national or regional effect, and filing, prosecuting and defending patents on all of our drug candidates throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. As such, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing drug candidates made using our inventions in and into the United States or other jurisdictions. Further, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to pharmaceuticals, which could make it difficult for us to stop the infringement of our patents or marketing of competing drug candidates in violation of our proprietary rights generally. In addition, certain developing countries, including China and India, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit, and in those countries, we and our licensors and licensees may have limited remedies if patents are infringed or if we or our licensors or licensees are compelled to grant a license to a third party, which could diminish the value of those patents. This could limit our potential revenue opportunities. Further, competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drug candidates and, further, may export otherwise infringing drug candidates to territories where we have patent protection but where enforcement is not as strong as that in the United States. These drug candidates may compete with our drug candidates, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. **In Europe, beginning June 1, 2023, European applications and patent may be subjected to the jurisdiction of the Unified Patent Court (the" UPC"). Also,** European applications will ~~soon~~ have the option, upon grant of a patent, of becoming a Unitary Patent which will be subject to the jurisdiction of the ~~Unitary Patent Court (“~~ UPC ~~”)~~. This will be a significant change in European patent practice. As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty **. As a single court system can invalidate a European patent, we, where applicable may opt out** of ~~any litigation~~ **the UPC and as such, each European patent would need to be challenged in each individual country** . Geo- political actions in the United States and in foreign countries could increase the uncertainties and costs surrounding the prosecution or maintenance of our patent applications or those of any current or future licensors and the maintenance, enforcement or defense of our issued patents or those of any current or future licensors. ~~For example, the United States and foreign government actions related to Russia’ s invasion of Ukraine may limit or prevent filing, prosecution and maintenance of patent applications in Russia. Government~~

~~actions may also prevent maintenance of issued patents in Russia. These actions could result in abandonment or lapse of our patents or patent applications, resulting in partial or complete loss of patent rights in Russia. If such an event were to occur, it could have a material adverse effect on our business. In addition, a decree was adopted by the Russian government in March 2022, allowing Russian companies and individuals to exploit inventions owned by patentees that have citizenship or nationality in, are registered in, or have predominately primary place of business or profit- making activities in the United States and other countries that Russia has deemed unfriendly without consent or compensation. Consequently, we would not be able to prevent third parties from practicing our inventions in Russia or from selling or importing products made using our inventions in and into Russia. Accordingly, our competitive position may be impaired, and our business, financial condition, results of operations and prospects may be adversely affected.~~ Changes in patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our drug candidates. As is the case with other ~~biopharmaceutical~~ **biotechnology** companies, our success is heavily dependent on intellectual property, particularly patents. Our patent rights may be affected by developments or uncertainty in U. S. or non- U. S. patent statutes, patent case laws in USPTO rules and regulations or in the rules and regulations of non- U. S. patent offices. Obtaining and enforcing patents in the pharmaceutical industry involves both technological and legal complexity and is therefore costly, time consuming and inherently uncertain. Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs. Recent patent reform legislation in the United States and other countries, including the **AIA** ~~Leahy- Smith America Invents Act (the Leahy- Smith Act)~~ , signed into law on September 16, 2011, could increase those uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. The **AIA** ~~Leahy- Smith Act~~ includes a number of significant changes to U. S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost- effective avenues for competitors to challenge the validity of patents. These include allowing third- party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post- grant proceedings, including post- grant review, inter parties review, and derivation proceedings. After March 2013, under the **AIA** ~~Leahy- Smith Act~~ , the United States transitioned to a first inventor to file system in which, assuming that the other statutory requirements are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. However, the **AIA** ~~Leahy- Smith Act~~ and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, Congress may pass patent reform legislation that is unfavorable to us. The U. S. Supreme Court has ruled on several patent cases in recent years, narrowing the scope of patent protection available in certain circumstances and weakening the rights of patent owners in certain situations. Depending on future actions by the U. S. Congress, the U. S. courts, the USPTO and the relevant law- making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. We may become subject to claims challenging the inventorship or ownership of our patents and other intellectual property. We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents, trade secrets or other intellectual property as an inventor or co- inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our drug candidates or as a result of questions regarding co- ownership of potential joint inventions. Litigation may be necessary to resolve these and other claims challenging inventorship and / or ownership. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Our licensors may have relied on third- party consultants or collaborators or on funds from third parties, such as the U. S. government, such that our licensors are not the sole and exclusive owners of the patents we in- licensed. If other third parties have ownership rights or other rights to our in- licensed patents, they may be able to license such patents to our competitors, and our competitors could market competing products and technology. This could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects. In addition, we may be unsuccessful in executing agreements assigning such intellectual property to us with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self- executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects. Patent terms may be inadequate to protect our competitive position on our drug candidates for an adequate amount of time, and if we do not obtain patent term extension for our drug candidates, our business may be materially harmed. Patent rights are of limited duration. In the United States, the natural expiration of a patent is generally 20 years after its first effective non- provisional filing date. In addition, although upon issuance a U. S. patent' s life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such drug candidates are commercialized. Even if patents covering our drug candidates are obtained, once the patent life has expired for a drug candidate, we may be open to competition

from generic products. A patent term extension of up to five years based on regulatory delay may be available in the United States under the Hatch- Waxman Act. However, only a single patent can be extended for each marketing approval, and any patent can be extended only once, for a single drug candidate. Moreover, the scope of protection during the period of the patent term extension does not extend to the full scope of the claim, but instead only to the scope of the drug candidate as approved. Further, a patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug candidate approval and only those claims covering such approved drug candidate, a method for using it or a method for manufacturing it may be extended. Laws governing analogous patent term extensions in foreign jurisdictions vary widely, as do laws governing the ability to obtain multiple patents from a single patent family. Additionally, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or restoration, or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our drug candidate will be shortened and our competitors may obtain approval of competing drug candidates following our patent expiration, and our revenue could be reduced. If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected. Our current or future trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and ~~tradenames~~ **trade names** by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names. Our efforts to enforce or protect our proprietary rights related to trademarks, trade names, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely affect our financial condition or results of operations. Moreover, any name we have proposed to use with our drug candidate in the United States must be approved by the FDA, regardless of whether we have registered it, or applied to register it, as a trademark. Similar requirements exist in Europe. The FDA typically conducts a review of proposed drug candidate names, including an evaluation of potential for confusion with other drug candidate names. If the FDA (or an equivalent administrative body in a foreign jurisdiction) objects to any of our proposed proprietary drug candidate names, we may be required to expend significant additional resources in an effort to identify a suitable substitute name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA. Furthermore, in many countries, owning and maintaining a trademark registration may not provide an adequate defense against a subsequent infringement claim asserted by the owner of a senior trademark. At times, competitors or other third parties may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks. For these and other reasons,our stockholders may realize little or no value from the divestiture of our legacy assets.The divestiture of our legacy assets or ~~previously~~ **recently** announced change in our corporate strategy,including **potential partnership** ~~the termination of the license for~~ **or licensing of** NOV004,could result in litigation against us,including litigation arising from or related to the value,received in the sale of our legacy assets to Lighthouse.For example,some of our investors purchased shares of our common stock because they were interested in the opportunities presented by our small molecule protease inhibitor portfolio,others because they were interested in our bone- targeting drug platform.Thus,certain stockholders may ~~have attributed~~ **attribute** substantial financial value to our legacy assets or NOV004.If our stockholders believe that the financial value which is or may be received by us or them from the divestiture of our assets is inadequate,our stock price may decline and litigation may occur.As a result of these and other factors,we may be exposed to a number of risks,including declines or fluctuations in our stock price,additional legal fees,and distractions to our management caused by activities **undertaken in** Risks Relating to Owning Our Common Stock The market price of our common stock is likely to be volatile and could fluctuate or decline, resulting in a substantial loss of your investment. The market price of our common stock has been and may continue to be volatile and could be subject to wide fluctuations in response to many risk factors listed in this section, and others beyond our control, including: • ~~the outcome of~~ our ~~review and evaluation~~ **integration efforts related to our acquisition** of **EryDel** ~~strategic alternatives~~ ; • changes in our business strategy; • **timing and** results of clinical trials; • our ability to identify partnership and licensing opportunities to support the future development of ~~NOV004~~ **EryDex** ; • ~~our ability to in~~ **market opportunity for A T and future indications;** ~~license or acquire clinical stage therapeutics~~ • any delays in manufacturing of drug supplies, results of preclinical studies and clinical trials for ~~potential~~ drug candidates; • regulatory actions with respect to our ~~potential~~ drug candidates or our competitors' drug candidates; • actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results; • announcement of actual or anticipated reduction in force, including our recent reduction in force; • announcements of technological innovations by us or our competitors; • overall conditions in our industry and the markets in

which we operate; • addition or loss of significant customers, or other developments with respect to significant customers; • changes in laws or regulations applicable to our drug candidates; • actual or anticipated changes in our growth rate relative to our competitors; • announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital commitments; • additions or departures of key personnel; • competition from existing drug candidates or new drug candidates that may emerge; • issuance of new or updated research or reports by securities analysts; • **cash runway expectations; •** fluctuations in the valuation of companies perceived by investors to be comparable to us; • disputes or other developments related to proprietary rights, including patents, litigation matters, and our ability to obtain intellectual property protection for our technologies; • announcement or expectation of additional financing efforts; • sales of our common stock by us or our stockholders; • share price and volume fluctuations attributable to inconsistent trading volume levels of our shares; • market conditions for pharmaceutical stocks in general; • the expiration of contractual lock- up agreements with our executive officers, directors and stockholders; • general economic and market conditions ~~, including developments relating to the COVID- 19 pandemic and the associated economic downturn~~ ; and • ineffectiveness of our disclosure controls or internal controls. Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs and divert our management' s attention from other business concerns, which could seriously harm our business. We may be subject to securities class action and stockholder derivative actions. These, and potential similar or related litigation, could result in substantial damages and may divert management' s time and attention from our business and adversely impact our business, results of operations and financial condition. We may become the target of securities class actions or stockholder derivative claims. Securities- related class action litigation has often been brought against companies, including many biotechnology companies, which experience volatility in the market price of their securities. This risk is especially relevant for us because biotechnology ~~and biopharmaceutical~~ companies often experience significant stock price volatility in connection with their product development programs. Any preclinical or clinical trial results that the investors may deem as unfavorable, volatility in our stock price and other matters affecting our business and operations may subject us to actual and threatened securities class actions or stockholder derivative claims. In addition, we may be exposed to increased litigation from stockholders, customers, suppliers, consumers and other third parties due to the combination of **EryDel' s and** Novosteo' s business and ours following the **EryDel and Novosteo** ~~Acquisition~~ **Acquisitions** , out- licensing of our legacy assets **and NOV004** ~~or any potential strategic transactions~~ . These types of proceedings may result in substantial costs, divert management' s attention from other business concerns and adversely impact our business, results of operations and financial condition. Future sales of our common stock in the public market could cause our share price to fall. ~~On December 23, 2021, we entered into an Open Market Sales Agreement with Jefferies, whereby we may sell up to $ 150. 0 million in aggregate proceeds of common stock from time to time, through Jefferies as our sales agent.~~ Sales of a substantial number of shares of our common stock in the public market, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Certain holders of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in Securities Act registration statements that we may file for ourselves or other stockholders. Once we register these shares, they can be freely sold in the public market. Moreover, we have also registered under the Securities Act shares of common stock that we may issue under our equity compensation plans. In addition, the issuance of shares under awards granted under existing or future employee equity benefit plans may cause immediate and substantial dilution to our existing stockholders. In the future, we may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline. ~~The price~~ **We have in the past and may in the future fail to continue to meet the listing standards** of **Nasdaq, and as a result** our **common stock may be delisted, which could have a material adverse effect on the liquidity of our common stock. Our** common stock currently **trades** ~~does not meet the requirements for continued listing~~ on **the** Nasdaq ~~. If we fail to maintain or regain compliance with the minimum listing requirements, our common stock will be subject to delisting. Our ability to publicly or privately sell equity securities and the liquidity of our common stock could be adversely affected if our common stock is delisted~~ . The Nasdaq ~~Stock Market LLC~~ has requirements that a company must meet in order to remain listed on Nasdaq. ~~In particular~~ **For example** , Nasdaq rules require us to maintain a minimum closing bid price of $ 1. 00 per share of our common stock. ~~The~~ **On December 4, 2023, we received a letter from the Listing Qualifications Staff, or the " Nasdaq Staff " of Nasdaq notifying us that for the last 30 consecutive business days, the** bid price of our common stock **had** ~~has recently~~ closed below ~~the minimum~~ $ 1. 00 per share **, the minimum closing bid price required by the continued listing** ~~requirement~~ **requirements** ~~and~~ **of Nasdaq Listing Rule 5450 (a) (1). The notification received had no immediate effect** on **the listing** ~~December 13, 2022 we received a notification~~ of ~~noncompliance from~~ **our common stock on the** Nasdaq. In accordance with Nasdaq ~~' s listing~~ **Listing** ~~rules~~ **Rule 5810 (c) (3) (A)** , we **had** ~~will be afforded~~ 180 calendar days to regain compliance with the **minimum** bid price requirement **by having shares** ~~. In order to regain compliance, the bid price~~ of our common stock **maintain** ~~must close at~~ a **minimum closing bid** price of at least $ 1. 00 per share for a minimum of 10 consecutive trading days. ~~If~~ **On December 29, 2023,** we ~~fail~~ **received a letter from the Nasdaq Staff notifying us that the closing bid price of our common stock had been at $ 1. 00 per share or greater for 10 consecutive business days, from December 11, 2023** to **December 28, 2023, and accordingly, we had** ~~regain~~ **regained** compliance with **Nasdaq Listing Rule 5450 (a) (1). There can be no assurance that we will continue to meet** the minimum

bid price requirement, or ~~if~~ **any other Nasdaq requirements, in the future. In addition,** we ~~fail~~ **may be unable** to meet other ~~continued~~ **applicable Nasdaq** listing requirements ~~in the future~~, **including maintaining minimum levels of stockholders' equity or market values of** our common stock ~~will be subject to delisting. Delisting from Nasdaq could adversely affect our ability to consummate a strategic transaction and raise additional financing through the public or private sale of equity securities~~ , **in which case** ~~and would significantly affect the ability of investors to trade our securities and negatively affect the value and liquidity of~~ our common stock ~~. Delisting~~ could ~~also have other negative results, including the potential loss of confidence by employees and the loss of institutional investor interest. We may~~ be **delisted. If** ~~treated as a " public shell " company, which could have negative consequences, including potential Nasdaq delisting of~~ our common stock **were to** ~~. We may~~ be ~~treated as a " public shell " company under the Nasdaq rules and the Securities Act. Although the evaluation of whether a listed~~ **delisted** ~~company is a public shell company is based on a facts and circumstances determination~~ , ~~a Nasdaq- listed company with no or nominal operations and either no or nominal assets, assets consisting solely of cash and cash equivalents, or assets consisting of any amount of cash and cash equivalents and nominal other~~ -- **the liquidity of** ~~assets is generally considered to be a public shell. Listed companies determined to be public shells by Nasdaq may be subject to delisting proceedings or additional and more stringent listing criteria. If Nasdaq should delist~~ our common stock ~~from trading, a reduction in some or all of the following may occur, each of which could~~ **would be** ~~have a material adverse~~ **adversely** ~~effect on holders~~ **affected, and the market price** of our common stock ~~: the liquidity of our common stock; the market price of our common stock; the number of institutional and general investors that will consider investing in our common stock; the number of investors in general that will consider investing in our common stock; the number of market makers in our common stock; the availability of information concerning the trading prices and volume of our common stock; and the number of broker- dealers willing to execute trades in our common stock. In addition to the foregoing, there are certain consequences under the Securities Act of being a public shell, including the unavailability of Rule 144 thereunder for the resale of restricted securities, the inability to utilize Form S- 8 for the registration of employee benefit plan securities; and the inability to utilize Form S- 3 under the " baby shelf " rules applicable to companies with a non- affiliate market capitalization of less than $ 75 million. In addition, the potential determination that we are a public shell company or the prospective loss of our listing on Nasdaq~~ could **decrease** ~~make us less attractive as a partner in any potential strategic transaction~~ . We have never paid dividends on our common stock and we do not intend to pay dividends for the foreseeable future. Consequently, any gains from an investment in our common stock will likely depend on whether the price of our common stock increases. We have never declared or paid any dividends on our common stock and do not intend to pay any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. General Risk Factors Our charter documents and Delaware law could prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock. Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to elect directors and take other corporate actions. These provisions include: • providing for a classified board of directors with staggered, three- year terms; • authorizing our board of directors to issue preferred stock with voting or other rights or preferences that could discourage a takeover attempt or delay changes in control; • prohibiting cumulative voting in the election of directors; • providing that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; • prohibiting the adoption, amendment or repeal of our amended and restated bylaws or the repeal of the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors without the required approval of at least 66. 67 % of the shares entitled to vote at an election of directors; • prohibiting stockholder action by written consent; • limiting the persons who may call special meetings of stockholders; and • requiring advance notification of stockholder nominations and proposals. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, the provisions of Section 203 of the Delaware General Corporate Law, or the DGCL, govern us. These provisions may prohibit large stockholders, in particular those owning 15 % or more of our outstanding voting stock, from merging or combining with us for a certain period of time without the consent of our board of directors **. In addition, in April 2023, we implemented the Rights Agreement, also called a " poison pill, " that may have the effect of discouraging or preventing a change of control by, among other things, making it uneconomical for a third party to gain control of us through open market accumulation of shares without paying all stockholders an appropriate control premium or without the consent of our board of directors. The Rights will expire on April 5, 2024, unless the Rights are earlier redeemed or exchanged by the Company** . These and other provisions in our amended and restated certificate of incorporation and our amended and restated bylaws and under Delaware law could discourage potential takeover attempts, reduce the price investors might be willing to pay in the future for shares of our common stock and result in the market price of our common stock being lower than it would be without these provisions. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' abilities to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation provides that, unless we consent to the selection of an alternative forum, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for: • any derivative action or proceeding brought on our behalf; • any action asserting a claim of breach of a fiduciary duty owed by, or other wrongdoing by, any of our directors, officers, employees or agents or our stockholders; • any action asserting a claim against us arising under the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws;

and • any action asserting a claim against us that is governed by the internal- affairs doctrine; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our amended and restated certificate of incorporation also provides that the federal district courts of the United States of America will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi- forum litigation. However, these provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees. While the Delaware Supreme Court recently determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring such a claim arising under the Securities Act against us, our directors, officers, or other employees in a venue other than in the federal district courts of the United States of America. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation, and this may require significant additional costs associated with resolving such action in other jurisdictions. Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third- party claims against us and may reduce the amount of money available to us. Our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that: • we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person' s conduct was unlawful; • we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law; • we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification; • we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification; • the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees and agents and to obtain insurance to indemnify such persons; and • we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees and agents. Our internal computer systems, or those used by our third- party research institution collaborators, CROs or other contractors or consultants, may fail or suffer security breaches **, which could result in adverse consequences including, but not limited to, regulatory investigations or actions, litigation, fines / penalties, disruptions of our business operations, reputational harm, and loss of revenue or profits. In the ordinary course of our business, we and the third parties upon which we rely process sensitive data, and, as a result, we and the third parties upon which we rely face a variety of evolving threats that could cause security incidents. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer " hackers, " " hacktivists, " individual threat actors, organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation- state- supported actors** . Despite the implementation of security measures **designed to detect and mitigate vulnerabilities** , our internal computer systems and those of our ~~future~~ CROs and other contractors and consultants may be vulnerable to damage from **sources including, but not limited to, malicious code (e. g.,** computer viruses **), malware, ransomware attacks, software or hardware failures, telecommunications failures,** and unauthorized access **(including as a result of personnel misconduct or error). In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Additionally, remote work has become more common and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network** . Although to our knowledge we have not experienced any such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations **, as well as adverse consequences including, but not limited to, investigations, fines / penalties, litigation, and reputational harm** . For example, the loss of clinical trial data from completed, ongoing or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on our third- party research institution collaborators for research and development of our drug candidates and other third parties for the manufacture of our drug candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. **Our reliance on third- party service providers could also introduce new cyber security risks and vulnerabilities, such as supply- chain attacks.** To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our drug candidates could be delayed **. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to**

mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims . Our ability to utilize our federal net operating loss and tax credit carryforwards may be limited. Our net operating loss, or NOL, carryforwards could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U. S. tax law. NOLs generated in tax years ending on or prior to December 31, 2017 are only permitted to be carried forward for 20 taxable years under applicable U. S. federal tax law. Moreover, under the Tax Act as modified by the CARES Act, federal NOLs generated in tax years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs may be limited to 80 % of taxable income for tax years beginning January 1, 2018. Under Sections 382 and 383 of the Internal Revenue Code, limitations on a corporation' s ability to use its NOLs and tax credit carryforwards apply if a corporation undergoes an " ownership change, " which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three- year period. If we have experienced an ownership change at any time since our incorporation, we may already be subject to limitations on our ability to utilize our existing NOL carryforwards and other tax attributes to offset taxable income or tax liability. In addition, future changes in our stock ownership, which may be outside of our control, may trigger an ownership change. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. As a result, even if we earn net taxable income in the future, our ability to use our pre- change NOL carryforwards and other tax attributes to offset such taxable income or tax liability may be subject to limitations, which could potentially result in increased future income tax liability to us.